

Plymouth Township, Pennsylvania

For the Year Ended December 31, 2021

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 – 3
Management's Discussion and Analysis	4 – 13
Government-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet – Governmental Funds	16 – 17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	18 – 19
Budgetary Comparison Statement – General Fund	20
Budgetary Comparison Statement – Capital Reserve Fund	21
Budgetary Comparison Statement – Highway Aid Fund	22
Budgetary Comparison Statement – Health and Welfare Fund	23
Statement of Net Position – Proprietary Funds	24
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds	26 – 27
Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Position	29
Notes to the Basic Financial Statements	30 – 72

(Continued)

Table of Contents (Continued)

	<u>Page</u>
Required Supplementary Information	
Schedule of Changes in the Township's Net Pension Liability and Related Ratios – Police Pension Plan	73
Schedule of Changes in the Township's Net Pension Liability and Related Ratios – Non-uniformed Employees' Pension Plan	74
Schedule of Township Contributions – Police Pension Plan	75
Schedule of Township Contributions – Non-uniformed Employees' Pension Plan	76
Schedule of Investment Returns – Police Pension Plan and Non-Uniformed Employees' Pension Plan	77
Schedule of Changes in the Township's Net OPEB Liability and Related Ratios	78
Schedule of Investment Returns – Post-Retirement Healthcare Fund	79
Other Supplementary Information	
Schedule of Revenues – General Fund	80
Comparison of Budgeted and Actual Expenditures and Other Financing Uses – General Fund	81 – 89
Statement of Revenues, Expenses, and Changes in Net Position – Greater Plymouth Community Center	90
Combining Statement of Net Position – Component Units	91
Combining Statement of Revenues, Expenses, and Changes in Net Position – Component Units	92

(Continued)

Table of Contents (Continued)

	<u>Page</u>
Single Audit Section	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	93 – 94
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	95 – 97
Schedule of Expenditures of Federal Awards	98
Notes to the Schedule of Expenditures of Federal Awards	99
Schedule of Findings and Questioned Costs	100 – 101



Independent Auditor's Report

Council Members
Plymouth Township
Plymouth Meeting, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Plymouth Township, Pennsylvania, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Plymouth Township, Pennsylvania's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Plymouth Township, Pennsylvania as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Plymouth Township, Pennsylvania, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Barsz Gowie Amon & Fultz, LLC
BarszGowie.com
info@BarszGowie.com

1400 N. Providence Road
Building 2, Suite 1040
Media, PA 19063
Phone: 610.565.1120
Fax: 610.565.1159

411 Old Baltimore Pike
Chadds Ford, PA 19317
Phone: 610.388.7800
Fax: 610.388.9332

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Plymouth Township, Pennsylvania's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Plymouth Township, Pennsylvania's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Plymouth Township, Pennsylvania's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the supplemental pension and OPEB schedules on pages 4 – 13 and 73 – 79 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Plymouth Township, Pennsylvania's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standard

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of Plymouth Township, Pennsylvania's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Plymouth Township, Pennsylvania's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Plymouth Township, Pennsylvania's internal control over financial reporting and compliance.

Barsz Gowie Amon & Fultz, LLC

Media, Pennsylvania
June 30, 2022

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Our discussion and analysis of Plymouth Township's financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the Township's financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

- The Township continues to report adequate *budgetary fund balances* for all its governmental funds and business-type funds.
- The Township is reporting a General Fund *unassigned budgetary fund balance* of \$12.0 million.
- The Township is reporting a total Net Position of \$48.7 million.
- Total net position of governmental activities increased by \$8,236,200 during fiscal 2021. This is principally explained by: 1) depreciation expense recognized for accounting purposes were less than capital expenditures by \$425,891; 2) a decrease in the liability for post-retirement health care and pensions in the amount of \$7,257,179; 3) an increase in Governmental fund balances of \$10,476,447 reflecting that revenues exceeded expenditures during 2021. This was mainly due to the 2021 bond issue of \$9,130,000.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14 and 15) provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements start on page 16. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Township as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the Township as a whole begins on page 7. One of the most important questions asked about the Township's finances is, "Is the Township as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis
For the Year Ended December 31, 2021

answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Township's net position and changes in net position. You can think of the Township's net position – the difference between assets and deferred outflows and resources, and liabilities and deferred inflows of resources – as one way to measure the Township's financial health, or financial position. Over time, increases or decreases in the Township's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Township's tax base and the condition of the Township's infrastructure, to assess the overall health of the Township.

In the Statement of Net Position and the Statement of Activities, we divide the Township into three kinds of activities:

- Governmental activities – Most of the Township's basic services are reported here, including general administration, public safety, public works, and parks and recreation. Property taxes, the earned income tax, and business taxes finance most of these activities.
- Business-type activities – The Township charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Township's sewer system and Community Center are reported here.
- Component units – The Township includes three separate legal entities in its report, Harmonville Fire Company, Plymouth Fire Company, and the Plymouth Township Parks Recreation and Facilities Fund (a 501(c)(3) nonprofit organization). Although legally separate, these component units are important because the Township is financially accountable for them. Complete financial statements of Plymouth Township Parks, Recreation and Facilities Fund can be obtained from the Township. Complete financial statements of the fire companies can be obtained from their administrative offices.

Reporting the Township's Most Significant Funds

Fund Financial Statements

Our analysis of the Township's major funds begins on page 10. The fund financial statements begin on page 16 and provide detailed information about the most significant funds – not the Township as a whole. Plymouth Township Council establishes funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities. The Township's two kinds of funds – governmental and proprietary – use different accounting approaches.

- Governmental funds – Most of the Township's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis
For the Year Ended December 31, 2021

fund statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation immediately following the fund financial statements.

- Proprietary funds – When the Township charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

The Township as Trustee

Reporting the Township's Fiduciary Responsibilities

The Township is the trustee, or fiduciary, for its employees' pension funds, post-retirement healthcare fund, and the deferred compensation fund. Because of trust agreements and legal restrictions, these funds can only be used for the designated beneficiaries. All of the Township's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 28 and 29. We exclude these activities from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis
For the Year Ended December 31, 2021

THE TOWNSHIP AS A WHOLE

Tables 1 and 2 that follow present a summarization of Plymouth Township's Net Position and Changes in Net Position for fiscal year 2021.

Table 1
Net Position (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current Assets	\$31.8	\$21.3	\$5.0	\$6.0	\$36.8	\$29.5
Noncurrent Assets	32.6	30.7	13.2	13.3	45.8	35.8
Total Assets	64.4	52.0	18.2	19.3	82.6	65.3
Deferred Outflows of Resources	6.4	3.4	0.0	0.0	6.4	2.9
Total Assets and Deferred Outflows	70.8	55.4	18.2	19.3	89.0	74.7
Current Liabilities	0.9	0.6	0.2	1.0	1.1	1.6
Noncurrent Liabilities	10.4	2.1	0.0	0.0	10.4	2.1
Total Liabilities	11.3	2.7	0.2	1.0	11.5	3.7
Deferred Inflows of Resources	28.8	30.3	0.0	0.0	28.8	24.0
Net Position:						
Invested in Capital Assets, Net of Debt	21.4	21.0	13.2	13.3	34.6	33.6
Restricted	0.0	0.0	0.0	0.0	0.0	2.9
Unrestricted	9.3	1.4	4.8	5.0	14.1	-0.8
Total Net Position	30.7	22.4	18.0	18.3	48.7	35.7
Total Liabilities, Deferred Inflows and Net Position	<u>\$70.8</u>	<u>\$55.4</u>	<u>\$18.2</u>	<u>\$19.3</u>	<u>\$89.0</u>	<u>\$74.7</u>

The Township has a significant investment in *capital assets* for both its governmental and business-type activities. Also, the Township reports the balance of *unrestricted net position* – the portion of resources that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. For its business-type activities, *unrestricted net position* amounts to \$4.82 million or 103% of the annual operating expenses for those activities. For governmental activities, the Township is reporting *unrestricted net position* of \$9.25 million or 211.3% of the annual operating expenses for those activities.

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Table 2
Changes in Net Position
(actual dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program revenues:						
Charges for services	\$ 3,898,683	\$ 3,349,981	\$ 3,988,799	\$ 3,500,887	\$ 7,887,482	\$ 6,850,868
Operating grants	1,034,076	978,912	-	-	1,034,076	978,912
Capital grants	368,348	242,849	-	-	368,348	242,849
General revenues:						
Earned income tax	7,769,258	7,142,235	-	-	7,769,258	7,142,235
Real estate tax	4,428,987	3,970,915	-	-	4,428,987	3,970,915
Business taxes	6,518,082	7,551,303	-	-	6,518,082	7,551,303
Real estate transfer tax	1,050,819	781,363	-	-	1,050,819	781,363
Local services tax	1,065,832	1,060,093	-	-	1,065,832	1,060,093
Solid waste disposal tax	1,354,002	1,280,675	-	-	1,354,002	1,280,675
Other taxes	38,040	42,491	-	-	38,040	42,491
Unrestricted grants	976,319	32,316	-	-	976,319	32,316
Other general revenues	257,492	369,565	6,535	49,634	264,027	419,199
Total revenues	28,759,938	26,802,698	3,995,334	3,550,521	32,755,272	30,353,219
Program expenses						
General government	4,370,340	2,662,778	-	-	4,370,340	2,662,778
Public safety	10,533,516	10,742,344	-	-	10,533,516	10,742,344
Public works	3,543,844	4,843,918	-	-	3,543,844	4,843,918
Culture and recreation	1,193,393	1,308,278	-	-	1,193,393	1,308,278
Employee Benefits	307,191	1,147,913	-	-	307,191	1,147,913
Interest on debt	174,477	-	-	-	174,477	-
Sewer	-	-	2,606,738	2,552,201	2,606,738	2,552,201
Ply Community Center	-	-	2,054,987	2,031,729	2,054,987	2,031,729
Total expenses	20,122,761	20,705,231	4,661,725	4,583,930	24,784,486	25,289,161
Excess before transfers	8,637,177	6,097,467	(666,391)	(1,033,409)	7,970,786	5,064,058
Transfers	(400,977)	(1,786,384)	400,977	1,786,384	-	-
Increase (decrease) in net position	8,236,200	4,311,083	(265,414)	752,975	7,970,786	5,064,058

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Governmental Activities

For governmental activities, there was an \$8,236,200 increase in net position during fiscal 2021. This is primarily attributable to the decrease in liabilities for post-retirement health care and pension costs in the amount of \$7,257,179.

The cost of all governmental activities this year was \$20.1 million. However, as shown in the Statement of Activities on page 15, the amount our taxpayers ultimately financed for these activities with Township resources was \$14.8 million because some of the cost was paid by those who directly benefited from the programs (\$3.9 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$1.4 million). Overall, the Township's governmental program revenues, including intergovernmental aid and fees for services, amounted to \$5.3 million in fiscal 2021. The Township paid for the remaining 'public benefit' portion of governmental activities through various taxes and other revenue, such as interest and miscellaneous fees.

Table 3 presents the cost of each of the Township's largest programs as well as each program's *net cost* (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Township's taxpayers by each of these functions.

Table 3
Governmental Activities
(actual dollars)

	Total Cost of Services		Net Cost of Services	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General government	\$4,370,340	\$2,662,778	\$2,832,216	\$1,209,510
Public safety	10,533,516	10,742,344	9,197,623	9,435,261
Public works	3,543,844	4,843,918	2,163,971	3,893,930
Culture and recreation	1,193,393	1,308,278	904,147	1,239,612
Employee benefits	307,191	1,147,913	(450,780)	355,176
Bond Issuance Cost	174,477	0	174,477	0
Totals	<u>\$20,122,761</u>	<u>\$20,705,231</u>	<u>\$14,821,654</u>	<u>\$16,133,489</u>

Business Activities

For business-type activities, net position decreased during fiscal 2021 by \$265,414. The financial objective of the Township's business activities is that services are priced to cover costs. Overall, business-type activities generated revenue of approximately \$4.0 million and expenses of approximately \$4.7 million. The operating income of the sewer activities was \$362,478. The operating loss of the Community Center was \$1,035,395. Net operating transfers of \$400,977 were made to the Community Center to compensate for the operating loss. There was interest income earned that created additional revenue in the amount of \$6,535.

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis
For the Year Ended December 31, 2021

THE TOWNSHIP'S FUNDS

As the Township completed the fiscal year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$30.7 million which is an increase of \$10,476,447 from last year's total of \$20.2 million. As noted on page 18, the General Fund, Capital Reserve Fund, and Capital Projects Fund reported increases in fund balance of \$915,043, \$172,268, and \$9,707,265, respectively. The Highway Aid Fund and Health and Welfare Fund decreased \$21,509 and \$296,620, respectively.

General Fund Budgetary Highlights

The 2021 budget, as adopted, did not require any subsequent changes by Township Council. The General Fund Budgetary Comparison Statement on page 20 reflects that the Township ended fiscal 2021 with a budgetary fund balance of approximately \$12.2 million of which \$9.9 million was in the form of cash or liquid investments (page 16). Taxes Receivable of \$3.1 million make up most of the remaining balance of General Fund assets.

There were some significant variations between budgeted and actual amounts for 2021. For the purpose of discussing budget variances, 'significant' variations will be considered those where the actual expenditure or revenue for a line item differs from the budget by \$100,000 or more.

Overall, revenue was better than projected in several areas resulting in an overall favorable variance of \$3,227,079. There was one negative variance in 'Mercantile Taxes'. This was due to the lingering effects COVID had on the mercantile industry. Nearly all other revenue categories had a positive variance of \$100,000 or greater. This is directly related to the economy rebounding from COVID quicker than expected. In the tax category, 'Earned Income Tax' was \$852,142 more than expected, 'Real Estate Taxes' were \$310,146 greater than expected, 'Business Privilege Taxes' were \$331,769 greater than expected, and 'Real Estate Transfer Taxes' were \$350,819 more than budgeted. 'Solid Waste Disposal Tax' was \$104,002 more than budgeted due to more trash being picked up with people staying home during the pandemic. 'Intergovernmental' was \$904,569 greater than expected due to receiving \$917,478 in COVID relief money. 'Charges for Services' was more than budgeted by \$302,307 due to recreation programs being able to run again and generate revenue. 'Miscellaneous' revenue was greater than budgeted by \$114,272 due to reimbursement services returning to prior pandemic amounts. There were some other positive and negative revenue variances, none of which exceeded \$100,000.

Overall, actual expenditures in 2021 for the General Fund were unfavorable by \$592,177 to the original budget. There were both positive and negative variances in individual budget categories. Under 'Administration', expenditures were \$190,215 more than budgeted due to purchasing of software and equipment to upgrade technology around the Township. Under 'Tax Collection', expenditures were \$335,565 more than budgeted due to several large property refunds that won assessment appeals. Under 'Building' expenditures were \$146,746 more than budgeted as a result of an increase in development in the Township and COVID restrictions being lifted. Under 'Sanitation' expenditures were \$106,906 less than budgeted due a decrease in recycling costs. 'Highway Services' were \$106,240 less than budgeted because of a decrease in salaries and maintenance repair work on traffic signals. 'Employee Benefits' was less than

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis
For the Year Ended December 31, 2021

budgeted by \$105,580 due to a few employees being laid off at the beginning of the year because of COVID. Lastly, 'Transfers to other Funds' of \$169,443 was more than expected due to the Community Center not meeting revenue expectations which created a need for a greater transfer amount to cover losses for the year. There were some other positive and negative expenditure variances, none of which exceeded \$100,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the Township had \$34.6 million invested in a broad range of capital assets including police and public works equipment, municipal buildings and land, park facilities, roads, bridges, sanitary sewers, and storm sewers. This 2021 net asset amount represents a net increase of \$375,001 or 1.1% compared to the previous year. The increase resulted primarily from the beginning of the renovations to the Township Building.

Capital Assets at Year-end
(Net of depreciation, in millions)

	Governmental Activities		Business-type Activities		Totals	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Construction in progress	1.2	0.5	0.9	0.0	2.1	0.5
Land	5.0	5.0	0.3	0.9	5.3	5.9
Buildings	1.1	1.0	5.7	5.9	6.8	6.9
Improvements	4.3	4.4	2.9	3.1	7.2	7.5
Machinery and equipment	2.5	2.5	0.2	0.2	2.7	2.7
Infrastructure	7.3	7.6	3.2	3.2	10.5	10.8
Totals	<u>\$21.4</u>	<u>\$21.0</u>	<u>\$13.2</u>	<u>\$13.3</u>	<u>\$34.6</u>	<u>\$34.3</u>

The Township expended \$2,351,012 to acquire and construct capital assets during 2021. Capital expenditures were made to purchase public works vehicles and equipment, new financial software, to begin construction and improvements to the Township Campus, improvements to the East Valley Park Concession Stand, for street paving, and for replacement of sanitary sewer infrastructure.

The Township's fiscal 2022 capital budget calls for \$25.4 million in capital expenditures. The bulk of the expenditures will be for the renovations and improvements to the Township Building. Other projects include intersection improvements, sanitary sewer projects, street paving, and storm water projects.

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Debt and Postemployment Benefit Obligations

At December 31, 2021, the Township had \$9,879,590 in outstanding debt.

The Township has a long-term liability for accrued employee leave time amounting to \$365,080.

The Township has recorded a liability in the Statement of Net Position for other postemployment benefits in the amount of \$276,061. This is an actuarially calculated number representing the difference between the Other Post Employment Benefit (OPEB) Liability and the assets dedicated to fund that liability. As of December 31, 2021, the total accrued liability for OPEB was \$34,724,943 and the market value of assets in the Post-Retirement Health Care Trust Fund was \$34,448,882. In 2021, the Township made a contribution of \$804,523 toward the cost of postemployment healthcare benefits for retirees.

The Township has not recorded any liability in the Statement of Net Position for unfunded pension liabilities as the pension plans are fully funded per the 2021 actuarial reports. The Township has a net pension asset in the amount of \$11,125,628.

More detailed information about the Township's long-term liabilities is presented in the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND THE 2022 BUDGETS AND RATES

The Township's elected and appointed officials considered many factors when setting the fiscal year 2022 budget. One of those factors was the extremely harmful effect that the Covid 19 pandemic was having on the national and local economies. COVID 19 negatively impacted several sources of Township tax revenue. Inflation was expected to be in the 5.0% to 5.5% range and interest rates are expected to rise from historically low levels during 2022.

These indicators were taken into account when adopting the General Fund budget for 2022. Overall, General Fund revenue was estimated at \$27.5 million, which represents a \$3,177,891 increase from the amount budgeted for 2021. Earned Income Tax collections are expected to increase by \$1,348,240 in 2022. This is due to an expected rebound in collections from prior COVID levels as well as an increase in the EIT rate in 2021 from 0.50 to 0.55. Together, Business Privilege and Mercantile taxes were expected to increase by \$775,000 in 2022 as compared to the amounts budgeted in 2021. The Township expects to earn more interest income on its short-term and medium-term investments in 2022 due to historically low interest rates beginning to rise and the amount budgeted for Interest Earnings for 2022 reflects this. The Township also expects recreational revenues to increase due to COVID restrictions being lifted as compared to most of 2021. Revenue from all other revenue sources for 2022 is expected to be roughly the same as amounts budgeted in 2021.

Budgeted General Fund expenditures for 2022 increased by only \$942,601 from the amount budgeted in the prior year. The increase is the result of contractual salary increases for employees which were partially offset by expenditure cuts made elsewhere in the budget. The Township has added no major new programs or initiatives to the 2022 budget.

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis
For the Year Ended December 31, 2021

As for the Township's business-type activities, we expect that the 2022 results will be consistent with the prior years. For the Sewer Fund, it is anticipated that there may be a moderate rate increase in 2022 to ensure the rate structure is sufficient to cover all operating and capital costs. For the Community Center Fund, the rate structure for member passes can be revised should revenue continue to fall short of expenditures. The Community Center also periodically revises its services and programs to generate additional revenue.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, Plymouth Township, 700 Belvoir Road, Plymouth Meeting, PA 19462 or by email, kjarrett@plymouthtownship.org.

Plymouth Township
Statement of Net Position
December 31, 2021

	Primary Government			Component
	Governmental	Business-Type	Total	Units
	Activities	Activities		
<u>Assets</u>				
<u>Current Assets</u>				
Cash and cash equivalents	\$ 11,783,453	\$ 715,729	\$ 12,499,182	\$ 1,249,252
Equity in pooled cash and investments	16,763,727	3,355,296	20,119,023	21,044
Investments	-	-	-	2,291,907
Accrued interest	31,775	4,845	36,620	-
Taxes receivable	3,085,542	-	3,085,542	-
Other receivables	181,801	944,790	1,126,591	-
<u>Total Current Assets</u>	<u>31,846,298</u>	<u>5,020,660</u>	<u>36,866,958</u>	<u>3,562,203</u>
<u>Noncurrent Assets</u>				
<u>Capital Assets</u>				
Land and improvements (non-depreciable)	5,043,803	930,002	5,973,805	140,001
Construction in progress (non-depreciable)	1,202,981	315,181	1,518,162	-
Other capital assets, net of depreciation	15,185,333	11,995,282	27,180,615	3,643,512
<u>Total Capital Assets</u>	<u>21,432,117</u>	<u>13,240,465</u>	<u>34,672,582</u>	<u>3,783,513</u>
Net pension asset	11,125,628	-	11,125,628	-
<u>Total Noncurrent Assets</u>	<u>32,557,745</u>	<u>13,240,465</u>	<u>45,798,210</u>	<u>3,783,513</u>
<u>Total Assets</u>	<u>64,404,043</u>	<u>18,261,125</u>	<u>82,665,168</u>	<u>7,345,716</u>
<u>Deferred Outflows of Resources</u>				
Pensions	5,247,975	-	5,247,975	-
Other post-employment benefits	1,156,649	-	1,156,649	-
<u>Total Deferred Outflows of Resources</u>	<u>6,404,624</u>	<u>-</u>	<u>6,404,624</u>	<u>-</u>
<u>Total Assets and Deferred Outflows of Resources</u>	<u>\$ 70,808,667</u>	<u>\$ 18,261,125</u>	<u>\$ 89,069,792</u>	<u>\$ 7,345,716</u>
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accounts payable and accrued expenses	\$ 684,125	\$ 144,508	\$ 828,633	\$ -
Payroll withholdings	80,405	-	80,405	19,703
Unearned revenue	-	54,000	54,000	-
Promissory notes payable	-	-	-	16,495
Bonds payable	115,000	-	115,000	-
<u>Total Current Liabilities</u>	<u>879,530</u>	<u>198,508</u>	<u>1,078,038</u>	<u>36,198</u>
<u>Noncurrent Liabilities</u>				
Promissory notes payable	-	-	-	238,136
Bonds payable	9,764,590	-	9,764,590	-
Liability for compensated absences	365,080	-	365,080	-
Net other post-employment benefits liability	276,061	-	276,061	-
<u>Total Noncurrent Liabilities</u>	<u>10,405,731</u>	<u>-</u>	<u>10,405,731</u>	<u>238,136</u>
<u>Total Liabilities</u>	<u>11,285,261</u>	<u>198,508</u>	<u>11,483,769</u>	<u>274,334</u>
<u>Deferred Inflows of Resources</u>				
Pensions	11,527,045	-	11,527,045	-
Other post-employment benefits	17,317,309	-	17,317,309	-
<u>Total Deferred Inflows of Resources</u>	<u>28,844,354</u>	<u>-</u>	<u>28,844,354</u>	<u>-</u>
<u>Net Position</u>				
Invested in capital assets, net of related debt	21,432,117	13,240,465	34,672,582	3,528,882
Unrestricted	9,246,935	4,822,152	14,069,087	3,542,500
<u>Total Net Position</u>	<u>30,679,052</u>	<u>18,062,617</u>	<u>48,741,669</u>	<u>7,071,382</u>
<u>Total Liabilities, Deferred Inflows of Resources, and Net Position</u>	<u>\$ 70,808,667</u>	<u>\$ 18,261,125</u>	<u>\$ 89,069,792</u>	<u>\$ 7,345,716</u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units
					Governmental Activities	Business-Type Activities	
<u>Primary Government</u>							
<u>Governmental Activities</u>							
General government	\$ 4,370,340	\$ 1,538,124	\$ -	\$ -	\$ (2,832,216)		\$ (2,832,216)
Public safety	10,533,516	1,181,867	154,026	-	(9,197,623)		(9,197,623)
Public works	3,543,844	889,446	122,079	368,348	(2,163,971)		(2,163,971)
Culture and recreation	1,193,393	289,246	-	-	(904,147)		(904,147)
Employee benefits	307,191	-	757,971	-	450,780		450,780
Bond issuance costs	174,477	-	-	-	(174,477)		(174,477)
<u>Total Governmental Activities</u>	<u>20,122,761</u>	<u>3,898,683</u>	<u>1,034,076</u>	<u>368,348</u>	<u>(14,821,654)</u>		<u>(14,821,654)</u>
<u>Business-Type Activities</u>							
Sewer	2,606,738	2,969,216	-	-	-	\$ 362,478	362,478
Greater Plymouth Community Center	2,054,987	1,019,583	-	-	-	(1,035,404)	(1,035,404)
<u>Total Business-Type Activities</u>	<u>4,661,725</u>	<u>3,988,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(672,926)</u>	<u>(672,926)</u>
<u>Total Primary Government</u>	<u>\$ 24,784,486</u>	<u>\$ 7,887,482</u>	<u>\$ 1,034,076</u>	<u>\$ 368,348</u>	<u>(14,821,654)</u>	<u>(672,926)</u>	<u>(15,494,580)</u>
<u>Component Units</u>							
Fire companies	\$ 1,528,498	\$ 94,430	\$ 997,708	\$ -			\$ (436,360)
Non-profit entity	593	-	455	-			(138)
<u>Total Component Units</u>	<u>\$ 1,529,091</u>	<u>\$ 94,430</u>	<u>\$ 998,163</u>	<u>\$ -</u>			<u>(436,498)</u>
<u>General Revenues</u>							
<u>Taxes</u>							
Earned income tax					7,769,258	-	7,769,258
Real estate taxes					3,225,146	-	3,225,146
Fire services fee					1,203,841	-	1,203,841
Business privilege taxes					4,381,769	-	4,381,769
Mercantile taxes					2,136,313	-	2,136,313
Real estate transfer taxes					1,050,819	-	1,050,819
Local services tax					1,065,832	-	1,065,832
Solid waste disposal tax					1,354,002	-	1,354,002
Other taxes					38,040	-	38,040
Grants and contributions not restricted to specific programs					976,319	-	976,319
Unrestricted investment earnings					27,949	6,535	34,484
Miscellaneous					229,543	-	229,543
<u>Transfers</u>					<u>(400,977)</u>	<u>400,977</u>	<u>-</u>
<u>Total General Revenues and Transfers</u>					<u>23,057,854</u>	<u>407,512</u>	<u>23,465,366</u>
<u>Change in Net Position</u>					<u>8,236,200</u>	<u>(265,414)</u>	<u>7,970,786</u>
<u>Net Position - Beginning of Year</u>					<u>22,442,852</u>	<u>18,328,031</u>	<u>40,770,883</u>
<u>Net Position - End of Year</u>					<u>\$ 30,679,052</u>	<u>\$ 18,062,617</u>	<u>\$ 48,741,669</u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Balance Sheet
Governmental Funds
December 31, 2021

	General	Capital Reserve	Capital Projects	Highway Aid	Health and Welfare	Total Governmental Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 2,021,004	\$ 3,244	\$ 9,707,265	\$ 3,464	\$ 48,476	\$ 11,783,453
Equity in pooled cash and investments	7,829,375	8,003,607	-	204,113	726,632	16,763,727
Taxes receivable	3,085,542	-	-	-	-	3,085,542
Other receivables	181,801	-	-	-	-	181,801
<u>Total Assets</u>	<u>\$ 13,117,722</u>	<u>\$ 8,006,851</u>	<u>\$ 9,707,265</u>	<u>\$ 207,577</u>	<u>\$ 775,108</u>	<u>\$ 31,814,523</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>						
<u>Liabilities</u>						
Accounts payable and accrued expenses	\$ 446,328	\$ 232,400	\$ -	\$ 1,351	\$ 4,046	\$ 684,125
Payroll withholdings	80,405	-	-	-	-	80,405
<u>Total Liabilities</u>	<u>526,733</u>	<u>232,400</u>	<u>-</u>	<u>1,351</u>	<u>4,046</u>	<u>764,530</u>
<u>Deferred Inflows of Resources</u>						
Deferred Tax Revenues	384,512	-	-	-	-	384,512
<u>Total Deferred Inflows of Resources</u>	<u>384,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>384,512</u>
<u>Fund Balances</u>						
Restricted	-	5,295,021	9,707,265	206,226	-	15,208,512
Assigned	197,721	2,479,430	-	-	771,062	3,448,213
Unassigned	12,008,756	-	-	-	-	12,008,756
<u>Total Fund Balances</u>	<u>12,206,477</u>	<u>7,774,451</u>	<u>9,707,265</u>	<u>206,226</u>	<u>771,062</u>	<u>30,665,481</u>
<u>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</u>	<u>\$ 13,117,722</u>	<u>\$ 8,006,851</u>	<u>\$ 9,707,265</u>	<u>\$ 207,577</u>	<u>\$ 775,108</u>	<u>\$ 31,814,523</u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Balance Sheet
Governmental Funds (Continued)
December 31, 2021

Reconciliation of the fund balances of governmental funds to net position of governmental activities

Total Fund Balances - Total Governmental Funds	\$ 30,665,481
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$572,153,590	21,432,117
Accrued interest income that is not available to pay liabilities of the current period does not represent available spendable financial resources and is, therefore, not reported in the funds	31,775
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(9,879,590)
Compensated absences	(365,080)
Net other post-employment benefits liability, net of related deferred outflows and deferred inflows	(16,436,721)
The net pension asset, net of related deferred outflows and inflows, does not represent financial resources and, therefore, is not reported in the funds	4,846,558
Earned income tax revenue collected beyond 60 days of year-end are included in net position of governmental activities, but are not accrued as income in the funds	384,512
	<hr/>
<u>Net Position of Governmental Activities</u>	<u><u>\$ 30,679,052</u></u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General	Capital Reserve	Capital Projects	Highway Aid	Health and Welfare	Total Governmental Funds
<u>Revenues</u>						
Earned income tax	\$ 7,752,142	\$ -	\$ -	\$ -	\$ -	\$ 7,752,142
Real estate taxes	3,225,146	-	-	-	-	3,225,146
Fire services fee	1,203,841	-	-	-	-	1,203,841
Business privilege taxes	4,381,769	-	-	-	-	4,381,769
Mercantile taxes	2,136,313	-	-	-	-	2,136,313
Real estate transfer taxes	1,050,819	-	-	-	-	1,050,819
Local services tax	1,107,897	-	-	-	-	1,107,897
Solid waste disposal tax	1,354,002	-	-	-	-	1,354,002
Other taxes	38,040	-	-	-	-	38,040
Licenses and permits	1,531,951	-	-	-	-	1,531,951
Fines and forfeits	137,124	-	-	-	-	137,124
Interest income and investment earnings	27,787	25,355	2,152	657	6	55,957
Rental income	-	25,000	-	-	-	25,000
Intergovernmental	2,010,395	368,348	-	440,355	-	2,819,098
Charges for services	1,119,457	-	-	-	203,821	1,323,278
Assessments and fees	-	440,975	-	-	-	440,975
Miscellaneous	187,372	42,171	-	-	-	229,543
<u>Total Revenues</u>	<u>27,264,055</u>	<u>901,849</u>	<u>2,152</u>	<u>441,012</u>	<u>203,827</u>	<u>28,812,895</u>
<u>Expenditures</u>						
General government	3,685,663	1,278,940	-	-	-	4,964,603
Public safety	10,413,352	-	-	-	-	10,413,352
Public works	2,284,464	594,208	-	462,521	-	3,341,193
Culture and recreation	1,300,633	56,433	-	-	-	1,357,066
Employee benefits	3,501,903	-	-	-	4,062,467	7,564,370
Debt service	-	-	174,477	-	-	174,477
<u>Total Expenditures</u>	<u>21,186,015</u>	<u>1,929,581</u>	<u>174,477</u>	<u>462,521</u>	<u>4,062,467</u>	<u>27,815,061</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>6,078,040</u>	<u>(1,027,732)</u>	<u>(172,325)</u>	<u>(21,509)</u>	<u>(3,858,640)</u>	<u>997,834</u>
<u>Other Financing Sources (Uses)</u>						
Face value of bonds issued	-	-	9,130,000	-	-	9,130,000
Bond premium	-	-	749,590	-	-	749,590
Transfers in	268,466	1,200,000	-	-	4,062,020	5,530,486
Transfers out	(5,431,463)	-	-	-	(500,000)	(5,931,463)
<u>Total Other Financing Sources and (Uses)</u>	<u>(5,162,997)</u>	<u>1,200,000</u>	<u>9,879,590</u>	<u>-</u>	<u>3,562,020</u>	<u>9,478,613</u>
<u>Net Change in Fund Balances</u>	<u>915,043</u>	<u>172,268</u>	<u>9,707,265</u>	<u>(21,509)</u>	<u>(296,620)</u>	<u>10,476,447</u>
<u>Fund Balances - Beginning of Year</u>	<u>11,291,434</u>	<u>7,602,183</u>	<u>-</u>	<u>227,735</u>	<u>1,067,682</u>	<u>20,189,034</u>
<u>Fund Balances - End of Year</u>	<u>\$ 12,206,477</u>	<u>\$ 7,774,451</u>	<u>\$ 9,707,265</u>	<u>\$ 206,226</u>	<u>\$ 771,062</u>	<u>\$ 30,665,481</u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds (Continued)
For the Year Ended December 31, 2021

Reconciliation of the change in fund balances - total governmental funds
to the change in net position of governmental activities:

Net Change in Fund Balances - Total Governmental Funds \$ 10,476,447

Amounts reported for governmental activities in the Statement of Activities are
different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	1,857,486
Depreciation expense	(1,431,595)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. In addition, governmental funds report the effect of bond premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Issuance of bonds, including bond premium	(9,879,590)
-------------------------------------------	-------------

The following changes in long-term liabilities affect expenses in the statement of activities, but are not reflected in the statement of revenues, expenditures, and changes in fund balances - governmental funds:

Liability for compensated absences	9,230
Net other post-employment benefits liability, net of related deferred outflows and deferred inflows	4,381,976
Net pension liability, net of related deferred outflows and deferred inflows	2,875,203

The change in accrued interest income that is not available to pay liabilities of the current period does not represent available spendable financial resources and is, therefore, not reported in the funds.	(28,008)
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------

The change in deferred inflow of resources for earned income taxes collected beyond 60 days of year-end is reflected in the statement of revenues, expenditures, and changes in fund balances - governmental funds, but does not affect revenues recognized in the statement of activities.

(24,949)

<u>Change in Net Position of Governmental Activities</u>	<u>\$ 8,236,200</u>
----------------------------------------------------------	---------------------

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Budgetary Comparison Statement - General Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual Amounts	Favorable (Unfavorable) Variance
<u>Revenue and Other Financing Sources</u>			
Earned income tax	\$ 6,900,000	\$ 7,752,142	\$ 852,142
Real estate taxes	2,915,000	3,225,146	310,146
Fire services fee	1,200,000	1,203,841	3,841
Business privilege taxes	4,050,000	4,381,769	331,769
Mercantile taxes	2,260,000	2,136,313	(123,687)
Real estate transfer taxes	700,000	1,050,819	350,819
Local services tax	1,107,000	1,107,897	897
Solid waste disposal tax	1,250,000	1,354,002	104,002
Other taxes	40,500	38,040	(2,460)
Licenses and permits	1,454,200	1,531,951	77,751
Fines and forfeits	139,200	137,124	(2,076)
Interest income	25,000	27,787	2,787
Intergovernmental	1,105,826	2,010,395	904,569
Charges for services	817,150	1,119,457	302,307
Miscellaneous	73,100	187,372	114,272
Transfers from other funds	268,466	268,466	-
<u>Total Revenue and Other Financing Sources</u>	<u>24,305,442</u>	<u>27,532,521</u>	<u>3,227,079</u>
<u>Expenditures and Other Financing Uses</u>			
General government			
Manager's office	676,082	669,797	6,285
Administration	1,616,251	1,806,466	(190,215)
Tax collection	222,180	557,745	(335,565)
Township building	307,170	279,413	27,757
Reimbursable costs	290,000	372,242	(82,242)
Public safety			
Police protection	7,846,711	7,808,367	38,344
Fire protection	1,479,551	1,396,979	82,572
Zoning	132,070	155,672	(23,602)
Building	719,500	866,246	(146,746)
Code enforcement	217,036	186,088	30,948
Public works			
Sanitation	1,164,400	1,057,494	106,906
Administration	409,825	456,015	(46,190)
Street maintenance	106,200	130,339	(24,139)
Highway services	398,000	291,760	106,240
Equipment maintenance and purchases	359,500	348,856	10,644
Culture and recreation			
Buildings and grounds	784,607	822,591	(37,984)
Parks and recreation	426,715	478,042	(51,327)
Employee benefits	3,607,483	3,501,903	105,580
Transfers to other funds	5,262,020	5,431,463	(169,443)
<u>Total Expenditures and Other Financing Uses</u>	<u>26,025,301</u>	<u>26,617,478</u>	<u>(592,177)</u>
<u>Net Change in Fund Balance</u>	<u>(1,719,859)</u>	<u>915,043</u>	<u>2,634,902</u>
<u>Fund Balance - Beginning of Year</u>	<u>1,722,359</u>	<u>11,291,434</u>	<u>9,569,075</u>
<u>Fund Balance - End of Year</u>	<u>\$ 2,500</u>	<u>\$ 12,206,477</u>	<u>\$ 12,203,977</u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Budgetary Comparison Statement - Capital Reserve Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual Amounts	Favorable (Unfavorable) Variance
<u>Revenue and Other Financing Sources</u>			
Interest income	\$ 16,000	\$ 25,355	\$ 9,355
Rental income	-	25,000	25,000
Intergovernmental	-	368,348	368,348
Assessments and fees	62,000	440,975	378,975
Other revenue	-	42,171	42,171
Transfers from other funds	-	1,200,000	1,200,000
<u>Total Revenue and Other Financing Sources</u>	<u>78,000</u>	<u>2,101,849</u>	<u>2,023,849</u>
<u>Expenditures and Other Financing Uses</u>			
General government	87,145	1,278,940	(1,191,795)
Public works			
Highways, roads, and streets	1,820,000	594,208	1,225,792
Culture and recreation			
Parks and recreation	325,000	3,572	321,428
Other	-	52,861	(52,861)
<u>Total Expenditures and Other Financing Uses</u>	<u>2,232,145</u>	<u>1,929,581</u>	<u>302,564</u>
<u>Net Change in Fund Balance</u>	(2,154,145)	172,268	2,326,413
<u>Fund Balance - Beginning of Year</u>	-	7,602,183	7,602,183
<u>Fund Balance - End of Year</u>	<u>\$ (2,154,145)</u>	<u>\$ 7,774,451</u>	<u>\$ 9,928,596</u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Budgetary Comparison Statement - Highway Aid Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual Amounts	Favorable (Unfavorable) Variance
<u>Revenue</u>			
Interest income	\$ 1,500	\$ 657	\$ (843)
Intergovernmental	430,655	440,355	9,700
<u>Total Revenue</u>	432,155	441,012	8,857
<u>Expenditures</u>			
Public works - highways, roads, and streets	782,273	462,521	319,752
<u>Total Expenditures</u>	782,273	462,521	319,752
<u>Net Change in Fund Balance</u>	(350,118)	(21,509)	328,609
<u>Fund Balance - Beginning of Year</u>	-	227,735	227,735
<u>Fund Balance - End of Year</u>	<u>\$ (350,118)</u>	<u>\$ 206,226</u>	<u>\$ 556,344</u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Budgetary Comparison Statement - Health and Welfare Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual Amounts	Favorable (Unfavorable) Variance
<u>Revenue and Other Financing Sources</u>			
Investment earnings	\$ 100	\$ 6	\$ (94)
Charges for services	207,000	203,821	(3,179)
Transfers from other funds	4,062,020	4,062,020	-
<u>Total Revenue and Other Financing Sources</u>	4,269,120	4,265,847	(3,273)
<u>Expenditures and Other Financing Uses</u>			
Employee benefits	4,469,120	4,062,467	406,653
Transfers to other funds	-	500,000	(500,000)
<u>Total Expenditures and Other Financing Uses</u>	4,469,120	4,562,467	(93,347)
<u>Net Change in Fund Balance</u>	(200,000)	(296,620)	(96,620)
<u>Fund Balance - Beginning of Year</u>	-	1,067,682	1,067,682
<u>Fund Balance - End of Year</u>	<u>\$ (200,000)</u>	<u>\$ 771,062</u>	<u>\$ 971,062</u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Statement of Net Position
Proprietary Funds
December 31, 2021

	Sewer Revenue and Reserve	Greater Plymouth Community Center	Totals
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 713,584	\$ 2,145	\$ 715,729
Equity in pooled cash and investments	3,297,888	57,408	3,355,296
Accrued interest	4,845	-	4,845
Sewer rents receivable	944,790	-	944,790
<u>Total Current Assets</u>	4,961,107	59,553	5,020,660
<u>Noncurrent Assets</u>			
<u>Capital Assets</u>			
Land	2	930,000	930,002
Construction in progress	315,181	-	315,181
Construction and extensions - sewer system	7,615,476	-	7,615,476
Building and equipment	955,807	14,146,967	15,102,774
Less accumulated depreciation	(4,788,741)	(5,934,227)	(10,722,968)
<u>Total Noncurrent Assets</u>	4,097,725	9,142,740	13,240,465
<u>Total Assets</u>	<u>\$ 9,058,832</u>	<u>\$ 9,202,293</u>	<u>\$ 18,261,125</u>
<u>Liabilities and Net Position</u>			
<u>Liabilities</u>			
Accounts payable and accrued expenses	\$ 92,681	\$ 51,827	\$ 144,508
Unearned revenue	-	54,000	54,000
<u>Total Liabilities</u>	92,681	105,827	198,508
<u>Net Position</u>			
Invested in capital assets	4,097,725	9,142,740	13,240,465
Unrestricted	4,868,426	(46,274)	4,822,152
<u>Total Net Position</u>	8,966,151	9,096,466	18,062,617
<u>Total Liabilities and Net Position</u>	<u>\$ 9,058,832</u>	<u>\$ 9,202,293</u>	<u>\$ 18,261,125</u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Sewer Revenue and Reserve	Greater Plymouth Community Center	Totals
<u>Operating Revenues</u>			
Charges for services	\$ 2,839,912	\$ 1,018,783	\$ 3,858,695
Special assessments	112,099	-	112,099
Miscellaneous	17,205	800	18,005
<u>Total Operating Revenues</u>	<u>2,969,216</u>	<u>1,019,583</u>	<u>3,988,799</u>
<u>Operating Expenses</u>			
Sewage collection and treatment	2,479,263	-	2,479,263
Culture and recreation	-	1,638,047	1,638,047
Depreciation	127,475	416,940	544,415
<u>Total Operating Expenses</u>	<u>2,606,738</u>	<u>2,054,987</u>	<u>4,661,725</u>
<u>Operating Income (Loss)</u>	<u>362,478</u>	<u>(1,035,404)</u>	<u>(672,926)</u>
<u>Non-Operating Revenues</u>			
Interest income	6,526	9	6,535
<u>Total Non-Operating Revenue</u>	<u>6,526</u>	<u>9</u>	<u>6,535</u>
<u>Income (Loss) Before Transfers</u>	369,004	(1,035,395)	(666,391)
<u>Transfers In</u>	-	1,000,897	1,000,897
<u>Transfers Out</u>	<u>(268,466)</u>	<u>(331,454)</u>	<u>(599,920)</u>
<u>Change in Net Position</u>	100,538	(365,952)	(265,414)
<u>Total Net Position - Beginning of Year</u>	<u>8,865,613</u>	<u>9,462,418</u>	<u>18,328,031</u>
<u>Total Net Position - End of Year</u>	<u>\$ 8,966,151</u>	<u>\$ 9,096,466</u>	<u>\$ 18,062,617</u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Sewer Revenue and Reserve	Greater Plymouth Community Center	Totals
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 2,868,334	\$ 1,046,783	\$ 3,915,117
Payments to suppliers	(2,617,291)	(378,439)	(2,995,730)
Payments to employees	(94,063)	(1,261,802)	(1,355,865)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>156,980</u>	<u>(592,658)</u>	<u>(435,678)</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
Contributions from governmental funds	-	1,000,897	1,000,897
Operating transfers out	(268,466)	(331,454)	(599,920)
<u>Net Cash Provided (Used) by Noncapital Financing Activities</u>	<u>(268,466)</u>	<u>669,443</u>	<u>400,977</u>
<u>Cash Flows from Capital and Related Financing Activities</u>			
Acquisition and construction of capital assets	(482,069)	(11,456)	(493,525)
<u>Net Cash (Used) by Capital and Related Financing Activities</u>	<u>(482,069)</u>	<u>(11,456)</u>	<u>(493,525)</u>
<u>Cash Flows from Investing Activities</u>			
Interest income	12,581	9	12,590
<u>Net Cash Provided by Investing Activities</u>	<u>12,581</u>	<u>9</u>	<u>12,590</u>
<u>Net Increase (Decrease) in Cash, Cash Equivalents, and Equity in Pooled Cash and Investments</u>	<u>(580,974)</u>	<u>65,338</u>	<u>(515,636)</u>
<u>Cash, Cash Equivalents, and Equity in Pooled Cash and Investments:</u>			
<u>Beginning of Year</u>	<u>4,592,446</u>	<u>(5,785)</u>	<u>4,586,661</u>
<u>End of Year</u>	<u>\$ 4,011,472</u>	<u>\$ 59,553</u>	<u>\$ 4,071,025</u>
Cash and cash equivalents	\$ 713,584	\$ 2,145	\$ 715,729
Equity in pooled cash and investments	3,297,888	57,408	3,355,296
<u>Total Cash, Cash Equivalents, and Equity in Pooled Cash and Investments - End of Year</u>	<u>\$ 4,011,472</u>	<u>\$ 59,553</u>	<u>\$ 4,071,025</u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	<u>Sewer Revenue and Reserve</u>	<u>Greater Plymouth Community Center</u>	<u>Totals</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating income (loss)	\$ 362,478	\$ (1,035,404)	\$ (672,926)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	127,475	416,940	544,415
Change in assets and liabilities:			
Sewer rents receivable	(100,882)	-	(100,882)
Accounts payable and accrued expenses	(232,091)	(2,194)	(234,285)
Unearned revenue	-	28,000	28,000
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 156,980</u>	<u>\$ (592,658)</u>	<u>\$ (435,678)</u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	Pension and Other Employee Benefit Trust Funds					
	Police Pension Trust Fund	Deferred Retirement Option Plan (DROP) Trust Fund	Non-Uniformed Employees' Pension Trust Fund	Post- Retirement Healthcare Fund	Deferred Compensation Fund	Custodial Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 1,112,950	\$ -	\$ 707,239	\$ 719,842	\$ -	\$ 479,808
Equity in pooled cash and investments				-	-	450,000
Accrued interest receivable	18	-	12	-	-	-
Investments, at fair value:						
Mutual funds	59,738,822	1,746,162	37,896,249	33,729,040	12,120,154	-
<u>Total Assets</u>	<u>\$ 60,851,790</u>	<u>\$ 1,746,162</u>	<u>\$ 38,603,500</u>	<u>\$ 34,448,882</u>	<u>\$ 12,120,154</u>	<u>\$ 929,808</u>
<u>Liabilities</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Net Position</u>						
Restricted for pension benefits	60,851,790	1,746,162	38,603,500	-	-	-
Restricted for deferred compensation benefits	-	-	-	-	12,120,154	-
Held in trust for post-retirement benefits	-	-	-	34,448,882	-	-
Held in trust for developers and others	-	-	-	-	-	929,808
<u>Total Net Position</u>	<u>\$ 60,851,790</u>	<u>\$ 1,746,162</u>	<u>\$ 38,603,500</u>	<u>\$ 34,448,882</u>	<u>\$ 12,120,154</u>	<u>\$ 929,808</u>

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021

	Pension and Other Employee Benefit Trust Funds					
	Police Pension Trust Fund	Deferred Retirement Option Plan (DROP) Trust Fund	Non-Uniformed Employees' Pension Trust Fund	Post- Retirement Healthcare Fund	Deferred Compensation Fund	Custodial Funds
<u>Additions</u>						
Contributions						
State	\$ 412,566	\$ -	\$ 345,404	\$ -	\$ -	\$ -
Township	1,269,164	-	630,349	804,523	-	-
Plan members	183,057	284,990	-	-	801,971	-
Total Contributions	1,864,787	284,990	975,753	\$ 804,523	801,971	-
Investment Earnings						
Net increase in fair value of investments, including realized gains and losses	5,537,398	84,884	3,504,451	3,156,495	1,375,659	-
Interest and dividends	1,193,143	-	757,847	679,603	-	-
Total Investment Earnings	6,730,541	84,884	4,262,298	3,836,098	1,375,659	-
Other Additions						
Real estate taxes collected for other governments	-	-	-	-	-	6,739,370
Escrow deposits from developers	-	-	-	-	-	79,200
Total Other Additions	-	-	-	-	-	6,818,570
Total Additions	8,595,328	369,874	5,238,051	4,640,621	2,177,630	6,818,570
<u>Deductions</u>						
Benefits	1,908,761	200,000	874,760	804,523	848,607	-
Administrative expenses	179,930	1,378	121,212	94,842	1,092	-
Real estate taxes distributed to other governments	-	-	-	-	-	6,696,601
Return of escrow deposits to developers	-	-	-	-	-	87,316
Total Deductions	2,088,691	201,378	995,972	899,365	849,699	6,783,917
<u>Change in Net Position</u>	6,506,637	168,496	4,242,079	3,741,256	1,327,931	34,653
<u>Net Position - Beginning of Year</u>	54,345,153	1,577,666	34,361,421	30,707,626	10,792,223	895,155
<u>Net Position - End of Year</u>	\$ 60,851,790	\$ 1,746,162	\$ 38,603,500	\$ 34,448,882	\$ 12,120,154	\$ 929,808

The accompanying notes are an integral part of these financial statements.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies

The financial statements of Plymouth Township (the “Township”) are prepared in accordance with generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

A. Financial Reporting Entity

As required by GAAP, these financial statements present the Township (the primary government) and its discretely presented component units.

A component unit is a legal entity that is either a separate government organization that is not a primary government, a not-for-profit corporation, or a for-profit corporation, that meets any one of the following four conditions:

- a. The primary government appoints a voting majority of the entity’s governing body; and the primary government can impose its will on the entity, and/or a financial benefit/burden relationship exists between the primary government and the entity;
- b. The entity is fiscally dependent on the primary government and has a financial benefit/burden relationship with the primary government;
- c. The primary government holds a majority equity interest in the entity for the purpose of facilitating government services; or
- d. The primary government’s financial statements would be misleading if the entity was excluded.

A component unit’s financial statements are blended with the financial statements of the primary government when one of the following four circumstances is met:

- a. There is substantively the same governing body for both the primary government and the component unit; and there is a financial benefit or burden relationship between the primary government and the component unit, or the operational responsibility for the component unit rests with the management of the primary government.
- b. A component unit provides services entirely (or almost entirely) to the primary government or benefits the primary government exclusively (or almost exclusively).
- c. A component unit’s debt, including leases, is expected to be repaid entirely or almost entirely with the primary government's resources.
- d. A component unit is incorporated as a not-for-profit corporation and the primary government is the sole corporate member.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

A discretely presented component unit is a separate legal entity that meets the component unit criteria described above but does not meet the criteria for blending. Those component units' financial statements are presented discretely in the primary government's government-wide financial statements.

The Township's financial reporting entity is comprised of the following:

Primary Government:	Plymouth Township
Discretely Presented Component Units:	Plymouth Township Parks, Recreation and Facilities Fund (Nonprofit Entity) Harmonville Fire Company Plymouth Fire Company

Plymouth Township Parks, Recreation and Facilities Fund is a nonprofit entity that was established to solicit and receive contributions from persons, corporations, foundations, and other entities to be remitted to the Township for the sole purpose of applying such contributions to the payment of the cost of acquisition of open space, park land, and recreation facilities and to the payment of the cost of the improvement, maintenance, and operation of the parks and recreational facilities, including the Greater Plymouth Community Center. Complete financial statements of Plymouth Township Parks, Recreation and Facilities Fund can be obtained from the Township. Harmonville Fire Company and Plymouth Fire Company both serve Township residents. The Township contributes monies to and secures loans for both fire companies. Complete financial statements of the fire companies can be obtained from their administrative offices.

The East Norriton-Plymouth-Whitpain Joint Sewer Authority (the "Sewer Authority") is not a component unit of the Township, but rather a Joint Venture in accordance with GAAP. The Sewer Authority owns and operates the sewer plants and lines in the three consenting localities. As it is an operating authority, property, plant, and equipment are recorded in the financial statements of the Sewer Authority. Since the Township does not have an equity interest in the net resources of the Sewer Authority, but instead has only a residual interest upon dissolution, the Township does not reflect any equity in the Sewer Authority in these financial statements.

Selected financial information for the Sewer Authority for their fiscal year ended December 31, 2021 is as follows:

Total Assets	\$ 21,874,378
Total Net Position	3,652,025
Total Operating Revenues	3,637,605

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Complete financial statements for the Sewer Authority can be obtained from their administrative offices.

The financial statements of the Plymouth Community Ambulance Association are excluded from the financial statements of Plymouth Township since the Township's contribution to the total revenues of the Association each year is relatively insignificant and, therefore, a financial interdependence is not evident. Hence, the Plymouth Community Ambulance Association does not qualify as a component unit.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

In addition, any other fund that government officials feel has importance to financial statement users may be reported as a major fund.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

The funds of the financial reporting entity are described below:

Governmental Funds (All classified as major funds)

- General Fund – The General Fund is the primary operating fund of the Township and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.
- Capital Reserve Fund – The Capital Reserve Fund is used to account for resources designated for the acquisition or construction of specific capital projects or items.
- Capital Projects Fund – The Capital Projects Fund is used to account for resources restricted for expenditures related to certain capital projects of the Township, which include facilities improvements, renovations to the Township's municipal and public works buildings, and other related improvements.
- Highway Aid Fund – The Highway Aid Fund is used to account for the proceeds of state grants earmarked for highways and streets.
- Health and Welfare Fund – The Health and Welfare Fund is used to account for the payment of health and disability insurance premiums for Township employees and retirees.

Proprietary Funds (All classified as major funds)

- Sewer Revenue and Reserve Fund – The Sewer Revenue and Reserve Fund accounts for the proceeds of sewer rentals and payments for sewage treatment.
- Greater Plymouth Community Center – This fund accounts for the operations of the Greater Plymouth Community Center, which is a recreational facility that benefits people residing or working in and around Plymouth Township.

Fiduciary Funds (Not included in government-wide statements)

The Township's fiduciary funds are comprised of funds held in trust for employees and custodial funds used to account for assets held by the Township in a purely custodial capacity.

The following funds are held in trust for employees:

- Police Pension Trust Fund – The Police Pension Trust Fund accounts for annual contributions, investment earnings, and benefit payments to retired police officers.
- Deferred Retirement Option Plan (DROP) Trust Fund – the Deferred Retirement Option Plan (DROP) Trust Fund accounts for annual contributions and related investment earnings for the benefit of certain Township employees who have elected to defer their retirement.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

- Non-Uniformed Employees' Pension Trust Fund – The Non-Uniformed Employees' Pension Trust Fund accounts for annual contributions, investment earnings, and benefit payments to retired non-uniformed employees.
- Post-Retirement Healthcare Fund – The Post-Retirement Healthcare Fund was established in 2003 to fund future health insurance premiums for retired employees.
- Deferred Compensation Fund – The Deferred Compensation Fund accounts for Township employees' salary deferrals. These funds are not available to the employees until termination, death, retirement, or an unexpected emergency.

The Township's custodial funds consist of the following funds:

- Escrow Fund – The Escrow Fund accounts for money received and reserved for potential future costs to be incurred by the Township resulting from engineering or other costs involved in development. This fund also accounts for real estate taxes paid in protest.
- Real Estate Tax Collector's Fund – The Real Estate Tax Collector's Fund accounts for collections and remittances of real estate taxes to Montgomery County.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In addition, the component units are presented using the economic resources measurement focus.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

- b. The proprietary funds and the fiduciary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. The fiduciary funds utilize an “economic resources” measurement focus. The accounting objectives are the determination of changes in net position. All assets and liabilities (except for certain liabilities of defined benefit pension plans and certain postemployment health care plans) are reported. Fiduciary fund equity is classified as net position.
- d. The component units are not presented in the fund financial statements since the component units’ funds are not blended into those of the Township’s.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or when the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Harmonville Fire Company and Plymouth Fire Company, included in the presentation of the component units, utilize the modified cash basis of accounting, which is a comprehensive basis of accounting that is not in conformity with generally accepted accounting principles. Under this method, revenues are recorded when received and expenditures are recorded when paid. However, the effects of utilizing the modified cash basis of accounting instead of the modified accrual basis are deemed immaterial to the financial statements.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers real estate tax revenues, earned income taxes, and local services tax revenues to be available if collected within sixty days of the end of the fiscal year. Expenditures (including capital outlays) are recorded when the related fund liability is incurred.

All proprietary funds and fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or when the economic asset is used.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Equity

Cash and Investments

Cash and cash equivalents of the primary government and the discretely presented component units include amounts in demand deposits, money market funds, and amounts deposited with the Pennsylvania Local Government Investment Trust. Investments are stated at fair market value.

Pooled Cash and Investments

The Township maintains an internal cash and investment pool to facilitate efficient cash management and accounting. Monies that can be legally or practically combined are included in the pool. Receipts from member funds increase their equity in the pool and disbursements made on behalf of member funds reduce their equity. Interest earned on investments is distributed to funds for which there is a legal requirement to do so, based on their share of equity in the pool.

Interfund Receivables and Payables

During the course of operations, loans may occur between individual funds for working capital purposes. In the government-wide financial statements, these receivables and payables are classified as "Internal Balances" or "Other Current Assets" in the current assets section of the Statement of Net Position. In the fund financial statements, these receivables and payables are classified as "Interfund Receivables" or "Interfund Payables."

Capital Assets

The accounting treatment for capital assets (land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are reported as noncurrent assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Prior to 2003, the Township's governmental fund infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	45 years
Machinery and Equipment	5 - 15 years
Infrastructure	15 - 50 years

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Equity (Continued)

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental funds upon acquisition. Capital assets used in proprietary fund operations are reported as noncurrent assets.

Long-term Debt

The accounting treatment of long-term debt depends on whether the debt relates to governmental fund operations or proprietary fund operations.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide financial statements. As of December 31, 2021, the long-term debt consists of bonds payable, accrued compensated absences, net pension liabilities, and net other post-employment benefits.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. Any debt proceeds are reported as other financing sources and any payment of principal and interest is reported as expenditures. The accounting for the proprietary funds is the same in the fund financial statements as it is in the government-wide financial statements.

Compensated Absences – Vacation Days

Up to ten unused vacation days are allowed to be carried forward to the following year for non-union employees. The liability for unused vacation days for these employees is included in accrued expenses in the government-wide financial statements. Since it is estimated that no expendable available financial resources will be used to pay for unused vacation days, no accrued liability is recorded in the governmental fund financial statements. However, since the proprietary funds record liabilities using the accrual basis of accounting, an accrued liability is recorded in the proprietary funds, as appropriate.

Compensated Absences - Sick Days

Sick leave is granted as appropriate. Non-unionized employees and unionized sworn police officers may not carry unused sick leave days from year to year. However, employees who are members of the American Federation of State, County, and Municipal Employees (“AFSCME”) are entitled to 80 hours of sick leave per year and may carry over unused sick leave days from year to year. Accumulated sick time for these employees shall be paid upon retirement to a maximum of 480 hours. No accrued liability for unused sick days is recorded in the fund financial statements.

The liability for unused vacation pay is recorded as current and long-term debt in the government-wide statements, and the liability for unused sick days that will be paid at retirement is recorded as long-term debt in the government-wide statements.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Equity (Continued)

Equity Classifications – Government-Wide Financial Statements

Equity is classified as net position and can be displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Equity Classifications – Fund Financial Statements

The Township classifies governmental fund balances as follows:

- a. Non-spendable – includes fund balance amounts that cannot be spent either because the amounts are not in spendable form or are legally or contractually required to be maintained intact.
- b. Restricted – includes fund balance amounts that are restricted to specific purposes by external parties or by law through constitutional provisions or enabling legislation.
- c. Committed – includes fund balance amounts that can only be used for specific purposes due to formal action of the Township’s highest level of decision-making authority, which is the Plymouth Township Council. Committed fund balance may also include resources that have been specifically committed for use in satisfying contractual requirements.
- d. Assigned – includes fund balance amounts that are constrained by the Township’s intent to be used for specific purposes but are not restricted or committed. Only Plymouth Township Council has the power to assign fund balances.
- e. Unassigned – includes the residual classification of fund balance of the General Fund, whether the amount is positive or negative. Other governmental funds may report negative unassigned fund balance if their expenditures exceed the amounts restricted, committed, or assigned to their fund purposes.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Equity (Continued)

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first and then unrestricted resources as they are needed. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds and, finally, unassigned funds, as needed. The Township does not have a minimum fund balance policy for its general fund.

E. Revenues, Expenditures, and Expenses

Government-Wide Financial Statements

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. Expenses for employee benefits are not allocated by function for governmental activities and related funds, but instead are shown as a separate function; expenses for employee benefits for business-type activities and related funds are included in operating expenses. Revenues are categorized as program revenues by function, or as general revenues.

Program revenues reported in the Statement of Activities are classified into the following categories: (a) Charges for Services, (b) Operating Grants and Contributions, and (c) Capital Grants and Contributions.

Charges for services for governmental activities include licenses and permits and such services as inspection services and special duty police. Charges for services for business-type activities include sewer fees and special assessments for the sewer operations, and membership and program fees for the Greater Plymouth Community Center.

General revenues include all revenues and gains that do not meet the definition of program revenues, and include primarily taxes, grants and contributions not restricted to specific programs, and unrestricted investment earnings.

Fund Financial Statements

In the fund financial statements, expenses are categorized by function. All revenues are listed together in arriving at total revenues for each fund.

Operating revenues and expenses for proprietary funds are those that result from providing services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

E. Revenues, Expenditures, and Expenses

Real Estate Taxes

The tax on real estate in Plymouth Township for 2021 was 1.7 mills (\$1.70 per \$1,000 of assessed valuation) as levied by Council. Assessed valuations of property are determined by Montgomery County, and the tax collector is responsible for collection. The schedule for real estate taxes levied for 2021 was as follows:

February 15, 2021	- Levy Date
February 16 – April 30, 2021	- 2% Discount Period
June 1 – June 30, 2021	- Face Payment Period
July 1 – January 14, 2022	- 10% Penalty Period
January 15, 2022	- Lien Date

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Note 2 Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. As of December 31, 2021, the bank balances and the carrying amounts of deposits of the primary government in these financial statements were as follows:

	Carrying Amount	Bank Balance		
		Total	Covered by FDIC	Secured
Checking, Savings, and Money Market Accounts Pennsylvania Local Government	\$ 5,676,879	\$ 6,079,410	\$ 444,800	\$ 5,634,610
Investment Trust (PLGIT)	15,946,715	15,947,480	-	15,947,480
Petty Cash	450	-	-	-
Total	<u>\$ 21,624,044</u>	<u>\$ 22,026,890</u>	<u>\$ 444,800</u>	<u>\$ 21,582,090</u>

Bank deposits not covered by federal depository insurance ("FDIC") are uninsured but secured by U.S. Government-backed investments or secured on a pooled basis.

The carrying amount of discretely presented component unit deposits is \$1,270,296 and the bank balance is \$1,312,038. Bank deposits totaling \$521,044 are covered by federal depository insurance, and deposits totaling \$790,994 are uninsured.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 2 Deposits (Continued)

Credit Risk

The PLGIT portfolios may contain a combination of obligations of the U.S. government or its agencies, obligations of the Commonwealth of Pennsylvania or its agencies, Federal securities subject to repurchase obligations (collateralized by U.S. Treasury or Federal Agency or instrumentality obligations held by the Trust's Custodian), FDIC insured certificates of deposit (CDs), CDs secured by U.S. Government-backed investments or secured on a pooled basis, or shares of Registered Money Market Funds which invest solely in the securities described above and which are rated in the highest capacity by a nationally recognized rating agency. The Township's PLGIT portfolios are currently rated AAAM by Standard & Poor's.

Note 3 Investments

Pennsylvania municipalities are required to invest funds consistent with sound business practice. Regarding the investments of the Township's governmental funds, state statutes authorize the Township to invest in United States (U.S.) Treasury bills; short-term obligations of the U.S. government or its agencies or instrumentalities; deposit accounts, which include savings accounts and certificates of deposit as well as other time deposit type accounts available at banks, savings and loan associations, or credit unions; obligations of the U.S. government (other than Treasury bills) or its agencies or instrumentalities backed by full faith and credit; obligations of the Commonwealth of Pennsylvania or its agencies or instrumentalities backed by the full faith and credit of the Commonwealth or its political subdivisions; shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of that company are in the authorized investments for municipal funds; and certain commercial paper, bankers' acceptances, and negotiable certificates of deposit. In addition, the Intergovernmental Cooperation Act 11 permits cooperative investment pools, such as the Pennsylvania Local Government Investment Trust and the State Treasurer's Invest Program. In addition to these investments, the investments of fiduciary funds may include corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township may not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township's investments are categorized as either (1) insured or registered with the securities held by the Township or its agent in the Township's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the Township's name, or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Township's name.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 3 **Investments (Continued)**

Custodial Credit Risk (Continued)

The investments of the primary government and its component units are summarized below.

	Categories			Carrying	
	1	2	3	Amount	Value
Primary Government:					
PLGIT CD Program	\$ -	\$ -	\$ 464,000	\$ 464,000	\$ 464,000
PLGIT Term	-	-	14,000,000	14,000,000	14,000,000
Mutual Funds	-	-	145,230,427	145,230,427	145,230,427
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,694,427</u>	<u>\$ 159,694,427</u>	<u>\$ 159,694,427</u>
Harmonville Fire Company (Component Unit):					
Mutual Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,291,907</u>	<u>\$ 2,291,907</u>	<u>\$ 2,291,907</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,291,907</u>	<u>\$ 2,291,907</u>	<u>\$ 2,291,907</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The credit quality ratings as described by a nationally recognized statistical rating organization is disclosed for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. Unless contrary information exists, investments in obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

The fixed income investments of the Police Pension Trust Fund, totaling \$18,859,731 as of December 31, 2021, had the following credit quality ratings:

	Market Value 12/31/20	Credit Quality Distribution - Standard & Poor's / Moody's				
		AAA/ Aaa	AA/ Aa	A/ A	BBB/ Baa	Other
PGIM Total Return Bond Fund	\$ 5,414,561	42.5%	8.7%	12.4%	21.6%	14.8%
Baird Core Plus Bond Fund	4,259,512	46.9%	3.4%	14.4%	30.8%	4.5%
Voya Intermediate Bond Fund	2,672,949	39.1%	3.3%	15.5%	23.3%	18.8%
Doubleline Core Fixed Income Fund	2,118,490	38.8%	4.3%	12.6%	19.9%	24.4%
iShares Trust - iShares Preferred ETF	1,216,179	Not available				
SPDR Bloomberg Barclays Secs ETF	1,136,137	Not available				
iShares 5-10 Year IG Corporate Bond ETF	1,117,951	0.5%	5.3%	37.5%	55.8%	0.9%
MFS Emerging Markets Debt Fund	482,968	Not available				
Mainstay MacKay High Yield Corporate Bond Fund	<u>440,984</u>	0.0%	0.1%	0.0%	5.8%	94.1%
Total Fixed Income Investments - Police Pension Trust Fund	<u>\$ 18,859,731</u>					

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 3 **Investments (Continued)**

Credit Risk (Continued)

The fixed income investments of the Non-Uniformed Employees' Pension Trust Fund, totaling \$11,728,602 as of December 31, 2021, had the following credit quality ratings:

	Market Value 12/31/20	Credit Quality Distribution - Standard & Poor's / Moody's				
		AAA/ Aaa	AA/ Aa	A/ A	BBB/ Baa	Other
PGIM Total Return Bond Fund	\$ 3,435,843	42.5%	8.7%	12.4%	21.6%	14.8%
Baird Core Plus Bond Fund	2,700,375	46.9%	3.4%	14.4%	30.8%	4.5%
Voya Intermediate Bond Fund	1,696,279	39.1%	3.3%	15.5%	23.3%	18.8%
Doubleline Core Fixed Income Fund	1,342,981	38.8%	4.3%	12.6%	19.9%	24.4%
iShares Trust - iShares Preferred ETF	770,778	Not available				
SPDR Bloomberg Barclays Secs ETF	720,259	Not available				
iShares 5-10 Year IG Corporate Bond ETF	678,582	0.5%	5.3%	37.5%	55.8%	0.9%
MFS Emerging Markets Debt Fund	356,608	Not available				
Mainstay MacKay High Yield Corporate Bond Fund	<u>26,897</u>	0.0%	0.1%	0.0%	5.8%	94.1%
Total Fixed Income Investments - Non-Uniform Pension Trust Fund	<u>\$ 11,728,602</u>					

The investments of the Deferred Retirement Option Plan (DROP) Trust Fund and the Deferred Compensation Fund are self-directed by the plans' participants, and therefore no disclosures regarding credit risk are provided in these financial statements.

Concentration of Credit Risk

The following investments comprised at least 5% of the total plan assets of the Police Pension Trust Fund as of December 31, 2021.

	Market Value 12/31/21
Vanguard Total Stock Market ETF	\$ 20,771,325
PGIM Total Return Bond Fund	5,414,561
Vanguard Total International Stock Index ETF	4,394,848
Baird Core Plus Bond Fund	4,259,512
Harding Loevner International Equity	3,413,205

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 3 Investments (Continued)

Concentration of Credit Risk (Continued)

The following investments comprised at least 5% of the total plan assets of the Deferred Retirement Option Plan (DROP) Trust Fund as of December 31, 2021.

	<u>Market Value 12/31/21</u>
MissionSquare PLUS Fund	\$ 1,083,986
MissionSquare Retirement Target 2035 Fund	194,935
MissionSquare Inflation Focused Fund	105,982
MSQ Western Asset Core Plus Fund	95,753

The following investments comprised at least 5% of the total plan assets of the Non-Uniform Employees' Pension Plan as of December 31, 2021.

	<u>Market Value 12/31/21</u>
Vanguard Total Stock Market ETF	\$ 13,148,581
PGIM Total Return Bond Fund	3,435,843
Vanguard Total International Stock Index ETF	2,786,718
Baird Core Plus Bond Fund	2,700,375
Harding Loevner International Equity	2,164,384

The following investments comprised at least 5% of Deferred Compensation Plan assets as of December 31, 2021.

	<u>Market Value 12/31/21</u>
MissionSquare PLUS Fund	\$ 2,006,075
MissionSquare Model Portfolio Long-Term Growth Fund	1,106,547
MissionSquare Broad Market Index Fund	1,037,879
MissionSquare Retirement Target 2020	841,229
MissionSquare Growth Fund R1	619,384

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 3 **Investments (Continued)**

Summary

Cash, cash equivalents, and investments of the Township and its component units were reported as follows as of December 31, 2021:

	Governmental Activities and Funds	Business- Type Activities and Funds	Fiduciary Funds	Total Primary Government	Component Units
Cash and Cash Equivalents	\$ 11,783,453	\$ 715,729	\$ 3,019,839	\$ 15,519,021	\$ 1,249,252
Investments	-	-	145,230,427	145,230,427	2,291,907
Equity in Pooled Cash and Investments	<u>16,763,727</u>	<u>3,355,296</u>	<u>450,000</u>	<u>20,569,023</u>	<u>21,044</u>
Total	<u>\$ 28,547,180</u>	<u>\$ 4,071,025</u>	<u>\$ 148,700,266</u>	<u>\$ 181,318,471</u>	<u>\$ 3,562,203</u>
Total Cash and Cash Equivalents				\$ 21,624,044	\$ 1,270,296
Total Investments				<u>159,694,427</u>	<u>2,291,907</u>
Total				<u>\$ 181,318,471</u>	<u>\$ 3,562,203</u>

The Township has not formally adopted deposit and investment policies that limit the government's allowable deposits or investments and addresses the specific types of risk to which the government is exposed. However, the Township complies with the First Class Township Act of Pennsylvania.

Note 4 **Taxes Receivable**

Taxes receivable on the Statement of Net Position and the Balance Sheet – Governmental Funds on December 31, 2021 consists of the following:

Earned income tax	\$ 2,170,000
Local services tax	277,907
Solid waste tax	345,700
Real estate transfer taxes	236,403
Business taxes	30,208
Real estate taxes	<u>25,324</u>
Total	<u>\$ 3,085,542</u>

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 4 Taxes Receivable (Continued)

Presentation in Government-Wide Financial Statements

Since all taxes receivable as of December 31, 2021 are deemed collectible, the entire balance of \$3,085,542 is reported as Taxes Receivable on the Statement of Net Position.

Presentation in Fund Financial Statements

Since earned income taxes and local services taxes collected beyond sixty days of year-end do not represent current financial resources, the related receivables are offset by an amount reported as deferred inflows of resources on the Balance Sheet – Governmental Funds. Accordingly, included in deferred inflows of resources is earned income taxes receivable expected to be collected beyond sixty days of year-end, totaling \$384,512.

Note 5 Other Receivables

Governmental Activities and Funds

Other receivables totaling \$181,801 include the following:

Professional Services	\$ 94,163
CATV Franchise Fees	79,620
Other	<u>8,018</u>
Total	<u><u>\$ 181,801</u></u>

Other receivables have been classified in the government-wide Statement of Net Position and the Balance Sheet – Governmental Funds as current assets.

Business-Type Activities and Sewer Revenue and Reserve Fund

Other receivables totaling \$944,790 represent sewer rents receivable.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 6 **Capital Assets**

Capital asset activity for the primary government for the year ended December 31, 2021 was as follows:

	Balance - 1/1/2021	Additions	Disposals	Balance - 12/31/2021
<u>Governmental Activities:</u>				
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 4,997,032	\$ 46,771	\$ -	\$ 5,043,803
Construction in progress	530,175	672,806	-	1,202,981
<u>Total Capital Assets Not Being Depreciated</u>	<u>5,527,207</u>	<u>719,577</u>	<u>-</u>	<u>6,246,784</u>
<u>Capital Assets Being Depreciated:</u>				
Buildings	2,575,610	118,586	-	2,694,196
Improvements	5,545,858	-	-	5,545,858
Machinery and equipment	10,568,383	735,885	(139,888)	11,164,380
Infrastructure	567,651,051	283,438	-	567,934,489
<u>Totals at Estimated Historical Cost</u>	<u>586,340,902</u>	<u>1,137,909</u>	<u>(139,888)</u>	<u>587,338,923</u>
<u>Less Accumulated Depreciation:</u>				
Buildings	(1,574,384)	(42,789)	-	(1,617,173)
Improvements	(1,131,941)	(143,126)	-	(1,275,067)
Machinery and equipment	(8,124,026)	(627,666)	139,888	(8,611,804)
Infrastructure	(560,031,532)	(618,014)	-	(560,649,546)
<u>Total Accumulated Depreciation</u>	<u>(570,861,883)</u>	<u>(1,431,595)</u>	<u>139,888</u>	<u>(572,153,590)</u>
<u>Capital Assets Being Depreciated, Net</u>	<u>15,479,019</u>	<u>(293,686)</u>	<u>-</u>	<u>15,185,333</u>
<u>Governmental Activities Capital Assets, Net</u>	<u>\$ 21,006,226</u>	<u>\$ 425,891</u>	<u>\$ -</u>	<u>\$ 21,432,117</u>
<u>Business-type Activities:</u>				
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 930,002	\$ -	\$ -	\$ 930,002
Construction in progress	-	315,181	-	315,181
<u>Total Capital Assets Not Being Depreciated</u>	<u>930,002</u>	<u>315,181</u>	<u>-</u>	<u>1,245,183</u>
<u>Capital Assets Being Depreciated:</u>				
Buildings	10,959,904	-	-	10,959,904
Improvements	3,605,442	11,456	-	3,616,898
Machinery and Equipment	478,415	47,557	-	525,972
Infrastructure	7,496,145	119,332	-	7,615,477
<u>Totals at Estimated Historical Cost</u>	<u>22,539,906</u>	<u>178,345</u>	<u>-</u>	<u>22,718,251</u>
<u>Less Accumulated Depreciation:</u>				
Buildings	(5,012,822)	(243,554)	-	(5,256,376)
Improvements	(536,156)	(174,794)	-	(710,950)
Machinery and Equipment	(317,913)	(25,725)	-	(343,638)
Infrastructure	(4,311,662)	(100,343)	-	(4,412,005)
<u>Total Accumulated Depreciation</u>	<u>(10,178,553)</u>	<u>(544,416)</u>	<u>-</u>	<u>(10,722,969)</u>
<u>Capital Assets Being Depreciated, Net</u>	<u>12,361,353</u>	<u>(366,071)</u>	<u>-</u>	<u>11,995,282</u>
<u>Business-type Activities Capital Assets, Net</u>	<u>\$ 13,291,355</u>	<u>\$ (50,890)</u>	<u>\$ -</u>	<u>\$ 13,240,465</u>

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 6 **Capital Assets (Continued)**

Depreciation was charged to government activities as follows:

General Government	\$ 345,307
Public Safety	192,922
Public Works	881,510
Culture and Recreation	<u>11,856</u>
Total Depreciation Expense	<u><u>\$ 1,431,595</u></u>

Capital asset activity for the discretely presented component units for the year ended December 31, 2021 was as follows:

	<u>Balance -</u> <u>1/1/2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance -</u> <u>12/31/2021</u>
<u>Harmonville Fire Company and Plymouth Fire Company:</u>				
Land	\$ 140,001	\$ -	\$ -	\$ 140,001
Buildings and Improvements	2,437,341	88,305	-	2,525,646
Machinery and Equipment	7,864,518	202,488	-	8,067,006
Deposit on Capital Assets	<u>68,609</u>	<u>-</u>	<u>(68,609)</u>	<u>-</u>
Totals at Historical Cost	<u>10,510,469</u>	<u>290,793</u>	<u>(68,609)</u>	<u>10,732,653</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,424,853)	(65,336)	-	(1,490,189)
Machinery and Equipment	<u>(5,018,214)</u>	<u>(440,737)</u>	<u>-</u>	<u>(5,458,951)</u>
Total Accumulated Depreciation	<u>(6,443,067)</u>	<u>(506,073)</u>	<u>-</u>	<u>(6,949,140)</u>
Component Unit Capital Assets, Net	<u><u>\$ 4,067,402</u></u>	<u><u>\$ (215,280)</u></u>	<u><u>\$ (68,609)</u></u>	<u><u>\$ 3,783,513</u></u>

Note 7 **Unearned Revenue**

Business-Type Activities and Proprietary Funds

Unearned revenue of \$54,000 represents membership fees collected by the Greater Plymouth Community Center for membership periods that extend beyond December 31, 2021.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 8 Deferred Outflows of Resources

Government-Wide Financial Statements

As described in Note 14, as of December 31, 2021, the Township reported deferred outflows of resources totaling \$5,247,975 for the net difference between expected and actual experience and changes in assumptions related to the pension plans. In addition, as described in Note 16, as of December 31, 2021, the Township reported deferred outflows of resources totaling \$1,156,649 for changes in assumptions related to other post-employment benefits.

Note 9 Deferred Inflows of Resources

Government-Wide Financial Statements

As described in Note 14, as of December 31, 2021, the Township reported deferred inflows of resources totaling \$11,527,045 for the net difference between projected and actual investment earnings, expected and actual experience, and changes in assumptions related to the pension plans. In addition, as described in Note 16, as of December 31, 2021, the Township reported deferred inflows of resources totaling \$17,317,309 for differences between projected and actual earnings, differences between expected and actual experience, and changes in assumptions related to other post-employment benefits.

Fund Financial Statements

Deferred inflows of resources on the Balance Sheet – Governmental Funds, totaling \$384,512 as of December 31, 2021, represent earned income taxes receivable that do not represent available spendable financial resources as of December 31, 2021.

Note 10 Long-Term Debt

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities, amounts to be repaid from business-type activities, and amounts to be repaid by the discretely presented component units.

A. Governmental Activities

Long-term debt as of December 31, 2021 consisted of bonds payable, accrued compensated absences, and the Township's net pension liability and net other post-employment benefits liability.

On June 16, 2021, the Township issued General Obligation Bonds, Series of 2021 (the "Bonds"), in the aggregate principal amount of \$9,130,000. The proceeds of the Bonds shall be used for the purpose of providing funds to finance certain capital projects of the Township, including facilities improvements, renovations to the Township's municipal and public works buildings, and other related improvements, and to pay the costs of issuing the Bonds. The Bonds are stated to mature on September 15th of each year from 2022 through 2044 with remaining principal payments due in 2046, 2049, and 2051, with interest payable semiannually on March 15th and September 15th of each year. The interest rate on the Bonds range from 3% to 5%.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 10 Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Annual debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 115,000	\$ 359,325	\$ 474,325
2023	190,000	284,650	474,650
2024	195,000	277,050	472,050
2025	205,000	267,300	472,300
2026	215,000	257,050	472,050
2027-2031	1,195,000	1,162,050	2,357,050
2032-2036	1,385,000	971,700	2,356,700
2037-2041	1,605,000	750,900	2,355,900
2042-2046	1,865,000	495,300	2,360,300
2047-2051	2,160,000	198,450	2,358,450
Totals	<u>\$ 9,130,000</u>	<u>\$ 5,023,775</u>	<u>\$ 14,153,775</u>

The bonds maturing on or after September 15, 2027 are subject to redemption, prior to maturity, at the option of the Township, in whole or in part, at any time and from time to time, on or after September 15, 2026. The bonds stated to mature on September 15, 2046 are subject to mandatory redemption prior to maturity, in 2045 and 2046; the bonds stated to mature on September 15, 2049 are subject to mandatory redemption prior to maturity during the years 2047 through 2049; and the bonds stated to mature on September 15, 2051 are subject to mandatory redemption prior to maturity, in 2050 and 2051.

B. Business-type Activities

As of December 31, 2021, there is no long-term debt attributable to business-type activities.

C. Component Units

Harmonville Fire Company

On October 15, 2018, Harmonville Fire Company entered into a loan contract in the total principal amount of \$300,000 for the purchase of a rescue vehicle. The loan contract calls for 15 annual payments of \$27,877, including interest of 4.47%, beginning on October 15, 2018 and ending on October 15, 2033. Harmonville Fire Company has the sole option to adjust the interest rate for contract payments 6 through 10, and 11 through 15, at a rate that is 300 basis points above the five-year U.S. Treasury Note rate. Required future payments are scheduled as follows:

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 10 Long-Term Debt (Continued)

C. Component Units (Continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 16,495	\$ 11,382	\$ 27,877
2023	17,232	10,645	27,877
2024	18,002	9,875	27,877
2025	18,807	9,070	27,877
2026	19,647	8,230	27,877
2027 - 2031	112,223	27,162	139,385
2032 - 2033	<u>52,225</u>	<u>3,529</u>	<u>55,754</u>
Totals	<u>\$ 254,631</u>	<u>\$ 79,893</u>	<u>\$ 334,524</u>

Plymouth Fire Company

On November 15, 2017, Plymouth Fire Company entered into a loan contract in the total principal amount of \$364,450 for the purchase of a truck that was delivered in 2018. The loan contract called for 15 annual payments of \$31,756, including interest of 3.55%, beginning on November 15, 2018 and ending on November 15, 2032. The loan was fully paid during 2021.

D. Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2021:

	<u>Balance - 1/1/2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance - 12/31/2021</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>					
Bonds payable	\$ -	\$ 9,130,000	\$ -	\$ 9,130,000	\$ 115,000
Bond premium	<u>-</u>	<u>749,590</u>	<u>-</u>	<u>749,590</u>	<u>-</u>
Bonds payable - net	-	9,879,590	-	9,879,590	115,000
Compensated absences	374,310	-	9,230	365,080	-
Net other post-employment benefits liability	1,729,692	-	1,453,631	276,061	-
Net pension liability (asset)	<u>(9,709,168)</u>	<u>-</u>	<u>1,416,460</u>	<u>(11,125,628)</u>	<u>-</u>
Total	<u>\$ (7,605,166)</u>	<u>\$ 9,879,590</u>	<u>\$ 2,879,321</u>	<u>\$ (604,897)</u>	<u>\$ 115,000</u>
<u>Component Units:</u>					
<i>Harmonville Fire Company</i>					
Loan Contract	\$ 270,420	\$ -	\$ 15,789	\$ 254,631	\$ 16,495
<i>Plymouth Fire Company</i>					
Loan Contract	<u>305,968</u>	<u>-</u>	<u>305,968</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 576,388</u>	<u>\$ -</u>	<u>\$ 321,757</u>	<u>\$ 254,631</u>	<u>\$ 16,495</u>

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 11 Interfund Transfers

A. Transfer from the Sewer Fund to the General Fund

During the year ended December 31, 2021, the Township transferred \$268,466 from the Sewer Fund to the General Fund to reimburse the General Fund for costs incurred such as salaries, benefits, and other operating costs.

Presentation in Government-Wide Financial Statements

The transfer is included in the Statement of Activities as a transfer between governmental activities and business-type activities.

Presentation in Fund Financial Statements

The transfer is included in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds as Other Financing Sources, and is included in the Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds as a Transfer Out.

B. Transfer from the General Fund to the Greater Plymouth Community Center

During the year ended December 31, 2021, the Township transferred \$1,000,897 from the General Fund to the Greater Plymouth Community Center to subsidize its operations.

Presentation in Government-Wide Financial Statements

This transfer is included in the Statement of Activities as transfers between governmental activities and business-type activities.

Presentation in Fund Financial Statements

The transfer is reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds as Other Financing Uses, and is included in the Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds as Transfers In.

C. Transfer from the Greater Plymouth Community Center to the Health and Welfare Fund

During the year ended December 31, 2021, the Township transferred \$331,454 from the Greater Plymouth Community Center to the Health and Welfare Fund for the cost of life insurance, health insurance, and related benefits provided to employees.

Presentation in Government-Wide Financial Statements

This transfer is included in the Statement of Activities as transfers between governmental activities and business-type activities.

Presentation in Fund Financial Statements

This transfer is reflected in the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds as Transfers Out, and is included in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds as Transfers In.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 11 Interfund Transfers (Continued)

D. Other Transfers

In addition, the following interfund transfers between governmental funds are reflected on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds, but have been eliminated in the presentation of the government-wide Statement of Activities:

<u>Transferred From</u>	<u>Transferred To</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Capital Reserve Fund	Future capital needs of Harmonville and Plymouth fire companies	\$ 200,000
General Fund	Capital Reserve Fund	Future capital needs of the Township	500,000
General Fund	Health and Welfare Fund	Life insurance, health insurance, and related benefits	3,730,566
Health and Welfare Fund	Capital Reserve Fund	Future capital needs of the Township	500,000

Note 12 Contributions to Component Units

During the year ended December 31, 2021, the Township made cash donations totaling \$452,000 to Harmonville Fire Company and \$359,700 to Plymouth Fire Company.

Presentation in Government-Wide Financial Statements

In the Statement of Activities, the contributions to the fire companies are included in Public Safety expenses of the Governmental Activities of the primary government and are included in Operating Grants and Contributions of the fire companies.

Presentation in Fund Financial Statements

In the Statement of Revenues, Expenditures, and Changes of Fund Balances – Governmental Funds, the contributions to the fire companies are included in Public Safety expenditures of the General Fund.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 13 Employee Benefits

Expenses for employee benefits are not allocated by function for governmental activities and related funds, but instead are shown as a separate function under the caption “Employee Benefits”. The following is a summary of these expenditures/expenses for governmental funds and governmental activities for 2021:

Governmental Funds and Governmental Activities

General Fund

Social security tax	\$ 971,139
Police pension contribution	1,681,730
Non-uniformed employee pension contribution	849,034
	<u>3,501,903</u>

Health and Welfare Fund

Medical, life, and disability insurance	4,043,467
Other	19,000
	<u>4,062,467</u>

<u>Total Expenditures Presented in Governmental Fund Financial Statements</u>	7,564,370
-------------------------------------------------------------------------------	-----------

(Reduction in) Pension Expense Recognized in Accordance
with GASB Statement No. 68 (Note 14):

Police pension plan	(1,715,424)
Non-uniform employees' pension plan	(1,159,778)

(Reduction in) Other Post-Employment Benefits Recognized
in Accordance with GASB Statement No. 75 (Note 16)

<u>(4,381,976)</u>

Total Expenses for Governmental Activities Presented in
Government-Wide Financial Statements

<u>\$ 307,192</u>

The Greater Plymouth Community Center’s share of the non-uniformed employee pension contribution, totaling \$126,719, is included in operating expenses. The Greater Plymouth Community Center’s share of healthcare costs, totaling \$331,454, is included in transfers out to the Health and Welfare Fund.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 14 Employee Pensions

A. Plan Descriptions

The Township administers two single employer defined benefit pension plans: The Police Pension Plan and the Non-Uniformed Employees' Pension Plan. These plans cover all full-time employees and provide retirement benefits to members. Plan provisions are established by Township ordinance with the authority for contributions required by Act 205 of the Commonwealth of Pennsylvania (the "Commonwealth").

As of January 1, 2021, the number of participants in each plan was as follows:

	<u>Police</u>	<u>Non-Uniformed Employees</u>
Participants		
Active Participants	44	73
Non-active Participants	<u>39</u>	<u>65</u>
 Totals	 <u><u>83</u></u>	 <u><u>138</u></u>

B. Eligibility Requirements

Police Pension Plan

Each member of the police force of the Township is covered by the Police Pension Plan. The Normal Retirement Date is the last day of the month in which the member attains age 52 and completes 25 years of service. A member may elect to retire early if he or she completes 20 years of service, but before his or her Normal Retirement Date (other than for death or permanent disability). Each member, who leaves the service of the Township for any reason after 12 years of continuous service but before he or she is entitled to either Early or Normal Retirement, will receive a vested Accrued Monthly Pension based on service and Average Monthly Earnings at date of termination, payable at his or her Normal Retirement Date.

Non-uniformed Employees' Pension Plan

All full-time employees of the Township, except for participants of the police force, are covered by the Non-Uniformed Employees' Pension Plan. The Normal Retirement Date is the last day of the month in which the member attains age 62 and completes 5 years of service. A member may elect to retire early if he or she attains age 50 and completes 10 years of service. Each member who leaves the service of the Township for any reason before he or she is entitled to either Early or Normal Retirement will receive a vested Accrued Monthly Pension based on service and Average Monthly Earnings at date of termination, payable at age 62 if he or she has completed at least 5 years of service with the Township.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 14 Employee Pensions (Continued)

C. Retirement Benefits

Police Pension Plan

The Police Pension Plan provides normal retirement benefits, early retirement benefits, job-related disability benefits, and survivor benefits. In addition, the Police Pension Plan provides for Deferred Retirement Option Plan (DROP) benefits, whereby any police officer who has completed 25 years of Credited Service and attained age 52 may enter into a DROP arrangement. Such an arrangement may run no less than 12 months and no more than 60 months.

If a member's employment with the Township is terminated before Normal Retirement Date (other than by disability or vested termination), the member shall receive a lump sum amount equal to the member's aggregate contributions plus interest at a rate of 4% per year.

Non-Uniformed Employees' Pension Plan

The Non-Uniformed Employees' Pension Plan provides normal retirement benefits, early retirement benefits, job-related disability benefits, and survivor benefits.

D. Summary of Significant Accounting Policies

Fiduciary Fund

The pension plans utilize the accrual basis of accounting. The pension plans are reflected as fiduciary funds in these financial statements; however, separate financial statements for the pension plans are not issued. Employer contributions are recognized when due as required by Act 205 of the Commonwealth. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Governmental Fund Financial Statements

Governmental funds utilize the modified accrual basis of accounting. Employer contributions are recognized when due as required by Act 205 of the Commonwealth.

Government-Wide Financial Statements

The Township complies with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. In accordance with GASB Statement No. 68, the Township reports its net pension liability in the Statement of Net Position.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 14 Employee Pensions (Continued)

D. Summary of Significant Accounting Policies (Continued)

Investments

Investments are reported at fair market value. Securities traded on national exchanges are valued at the last reported sales price. Investments of the pension funds are represented by specific identifiable investment securities classified as to credit risk by the three categories described below:

Category 1 – Insured or registered, or securities held by the Pension Fund or its agent in the Pension Fund’s name.

Category 2 – Uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the Pension Fund’s name.

Category 3 – Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the Pension Fund’s name.

The investments of the pension funds consist of mutual funds, representing “category 3” investments.

E. Plan Investments

Summary by Type

Investments held as of December 31, 2021 are summarized as follows:

	Police Pension Trust Fund	Deferred Retirement Option Plan	Non-Uniformed Employees' Pension Trust Fund
Mutual Funds - Stable Value	\$ -	\$ 1,089,277	\$ -
Mutual Funds - Fixed Income	18,859,731	292,010	11,978,602
Mutual Funds - Balanced/Asset Allocation	-	216,477	-
Mutual Funds - Equity	40,879,091	148,398	25,917,647
Total	<u>\$ 59,738,822</u>	<u>\$ 1,746,162</u>	<u>\$ 37,896,249</u>

Current yields on the fixed income mutual funds range from 1.97% to 5.43%.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 14 Employee Pensions (Continued)

E. Plan Investments (Continued)

Concentration of Credit Risk

The following investments comprised at least 5% of the total plan assets of the Police Pension Trust Fund as of December 31, 2021.

	<u>Market Value 12/31/21</u>
Vanguard Total Stock Market ETF	\$ 20,771,325
PGIM Total Return Bond Fund	5,414,561
Vanguard Total International Stock Index ETF	4,394,848
Baird Core Plus Bond Fund	4,259,512
Harding Loevner International Equity	3,413,205

The following investments comprised at least 5% of the total plan assets of the Deferred Retirement Option Plan (DROP) Trust Fund as of December 31, 2021.

	<u>Market Value 12/31/21</u>
MissionSquare PLUS Fund	\$ 1,083,986
MissionSquare Retirement Target 2035 Fund	194,935
MissionSquare Inflation Focused Fund	105,982
MSQ Western Asset Core Plus Fund	95,753

Concentrations – Non-uniform Employees’ Pension Plan

The following investments comprised at least 5% of the total plan assets of the Non-Uniform Employees’ Pension Plan as of December 31, 2021.

	<u>Market Value 12/31/21</u>
Vanguard Total Stock Market ETF	\$ 13,148,581
PGIM Total Return Bond Fund	3,435,843
Vanguard Total International Stock Index ETF	2,786,718
Baird Core Plus Bond Fund	2,700,375
Harding Loevner International Equity	2,164,384

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 14 Employee Pensions (Continued)

E. Plan Investments (Continued)

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on the Police Pension Plan investments was 12.55%. For the year ended December 31, 2021, the annual money-weighted rate of return on the Non-Uniform Employee's Pension Plan was 12.53%. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

Administrative costs, including investment services, custodial, trustee, and actuarial services are charged to the appropriate plan and funded from investment earnings.

F. Contributions and Funding Policy

Act 205 of the Commonwealth requires that annual contributions be based upon the Minimum Municipal Obligation (MMO). The MMO is based upon the plan's biennial actuarial valuation. The State provides an allocation of funds that must be used for pension funding. Any financial requirement established by the MMO which exceeds the State and employee contributions must be funded by the employer in accordance with Act 205.

Contributions to the Police Pension Trust Fund for 2021 totaled \$1,269,164 from the Township and \$412,566 from the Commonwealth (together totaling \$1,681,730), as well as \$183,057 from employees. Contributions to the Deferred Retirement Option Plan (DROP) Trust Fund for 2021 totaled \$284,990 from employees. Contributions to the Non-Uniformed Employees' Pension Plan for 2021 totaled \$630,349 from the Township and \$345,404 from the Commonwealth (together totaling \$975,753). The components of the MMO for 2021 are as follows:

	<u>Police Pension Plan</u>	<u>Non-Uniformed Employees' Pension Plan</u>
Normal Cost	\$ 1,424,255	\$ 703,601
Administrative Expenses	135,400	84,900
Amortization Requirement	298,199	187,252
Less: Estimated Employee Contributions	<u>(176,124)</u>	<u>-</u>
2021 Minimum Municipal Obligation	<u>\$ 1,681,730</u>	<u>\$ 975,753</u>

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 14 Employee Pensions (Continued)

G. Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liabilities were measured as of December 31, 2021, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2021. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The components of the changes in the total pension liability, plan fiduciary net position, and net pension liability of the Police Pension Plan for the year ended December 31, 2021 are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Service cost	\$ 1,814,239	\$ -	\$ 1,814,239
Interest on total pension liability	3,229,620	-	3,229,620
Changes in assumptions	3,208,905	-	3,208,905
Difference between expected and actual experience	(84,263)	-	(84,263)
Contributions - Township and state aid	-	1,681,730	(1,681,730)
Contributions - employees	-	183,057	(183,057)
Net investment income	-	6,730,541	(6,730,541)
Benefit payments	(1,908,761)	(1,908,761)	-
Administrative expenses	-	(179,930)	179,930
Net Changes	6,259,740	6,506,637	(246,897)
<u>Balances as of December 31, 2020</u>	<u>47,516,195</u>	<u>54,345,153</u>	<u>(6,828,958)</u>
<u>Balances as of December 31, 2021</u>	<u>53,775,935</u>	<u>60,851,790</u>	<u>(7,075,855)</u>
<u>DROP Balance as of December 31, 2021</u>	<u>1,746,162</u>	<u>1,746,162</u>	<u>-</u>
<u>Totals as of December 31, 2021</u>	<u>\$ 55,522,097</u>	<u>\$ 62,597,952</u>	<u>\$ (7,075,855)</u>

The components of the changes in the total pension liability, plan fiduciary net position, and net pension liability of the Non-Uniformed Employees' Pension Plan for the year ended December 31, 2021 are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Service cost	\$ 866,381	\$ -	\$ 866,381
Interest on total pension liability	2,082,730	-	2,082,730
Changes in assumptions	1,931,078	-	1,931,078
Difference between expected and actual experience	(932,913)	-	(932,913)
Contributions - Township and state aid	-	975,753	(975,753)
Net investment income	-	4,262,298	(4,262,298)
Benefit payments	(874,760)	(874,760)	-
Administrative expenses	-	(121,212)	121,212
Net Changes	3,072,516	4,242,079	(1,169,563)
<u>Balances as of December 31, 2020</u>	<u>31,481,211</u>	<u>34,361,421</u>	<u>(2,880,210)</u>
<u>Balances as of December 31, 2021</u>	<u>\$34,553,727</u>	<u>\$38,603,500</u>	<u>\$ (4,049,773)</u>

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 14 Employee Pensions (Continued)

G. Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

In the government-wide financial statements for the year ended December 31, 2021, the Township recognized pension expense totaling \$(33,694) for the Police Pension Plan and \$(184,025) for the Non-Uniformed Employees' Pension Plan. As of December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 10,254,472
Net difference between expected and actual experience	6,470	1,174,375
Changes of assumptions	<u>5,241,505</u>	<u>98,198</u>
Totals	<u>\$ 5,247,975</u>	<u>\$ 11,527,045</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2022	\$ (1,161,907)
2023	(2,949,259)
2024	(1,589,538)
2025	<u>(578,366)</u>
	<u>\$ (6,279,070)</u>

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 14 Employee Pensions (Continued)

H. Actuarial Assumptions

In accordance with regulations under Act 205 of 1984, all actuarial assumptions are selected jointly by the actuary and the governing body of the pension plan. Significant actuarial assumptions are presented below.

	<u>Police Pension</u>	<u>Non-Uniformed Employees Pension</u>
Actuarial Valuation Date	1/1/21	1/1/21
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar Open	Level Dollar Open
Remaining Amortization Period	N/A	N/A
Asset Valuation Method	Adjusted Market Basis	Adjusted Market Basis
Investment Rate of Return	6.50%	6.50%
Projected Salary Increase	5.00%	4.00%
Inflation	3.00%	3.00%
Cost-of-living Adjustment	3.00%	3.00%
Retirement Age	Normal retirement age or at attained age plus 1 year, if later	Normal retirement age or at attained age plus 1 year, if later
Mortality Rates	Pub-2010 Safety Amount - Weighted Mortality Tables (Employee, Retiree, Contingent Survivor, and Disabled Retiree tables as applicable), projected from 2010 with Mortality Improvement Scale MP- 2021	Pub-2010 General Amount - Weighted Mortality Tables (Employee, Retiree, Contingent Survivor, and Disabled Retiree tables as applicable), projected from 2010 with Mortality Improvement Scale MP- 2021

Actuarial assumptions are based on experience with pension plans statewide and standard nationwide mortality tables. Due to the size of the plan, actuarial experience studies are not considered credible and are not performed for the plan.

Discount Rate

The discount rate used to measure the total pension liability was 6.5% for the Police Pension Plan and 6.5% for the Non-Uniformed Employees' Pension Plan and is based on the long-term expected return on assets given the Plans' asset allocation and investment policies as of December 31, 2021. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 14 Employee Pensions (Continued)

H. Actuarial Assumptions

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the pension plans, calculated using the discount rate of 6.5%, as well as what the net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Net Pension Liability (Surplus):			
Police Pension	\$ 293,020	\$ (7,075,855)	\$ (13,135,115)
Non-Uniformed Employees Pension	272,353	(4,049,773)	(7,664,358)

Note 15 Deferred Compensation Fund

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unexpected emergency. The plan is administered by MissionSquare Retirement.

The Township has a fiduciary responsibility and must exercise due care as required of any other ordinary prudent investor.

Note 16 Post-Retirement Benefit Plan

The Township provides post-retirement health care insurance to employees who retire from the Township who meet certain minimum age and service requirements. During 2003, the Township established the Post-Retirement Healthcare Fund (a fiduciary fund) to help fund future health insurance premiums for retired employees.

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially-determined expense on the statement of activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefits. The post-employment benefit liability is recognized on the statement of net position over time.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 16 Post-Retirement Benefit Plan (Continued)

A. Plan Description

The Plan is a single employer defined benefit plan for which the provisions are established by Township ordinance. The Plan does not issue a stand-alone financial report. As of January 1, 2021, the following employees were covered by the benefit terms:

Active Participants	119
Retirees and Covered Spouses	<u>73</u>
Total	<u><u>192</u></u>

The following is a summary of plan benefits:

Eligibility

- *Police*: Age 52 with 25 or more years of service.
- *Non-uniformed union employees*: age 60 with 10 or more years of service, or age plus service equals 80
- *Non-uniformed non-union employees*: age 60 with 10 or more years of service, or age plus service equals 80 for employees hired prior to July 1, 2011; age 60 with 25 years of service for employees hired after June 30, 2011.

Healthcare Benefits – Police and Non-Uniformed Employees

- *Pre-Medicare eligibility*: For police and other employees hired before March 1, 2016: Medical – Aetna PPO \$15/\$30 Plan; Prescription Drug – Copays of \$15/\$25. For non-uniformed employees hired after March 1, 2016: Medical – Aetna PPO HRA \$2,000/\$4,000; Prescription Drug – Copays of \$10/\$30/\$50.
- *Post-Medicare eligibility*: Aetna Medicare Advantage Plan

Duration of Healthcare Benefits

- *Police*: Coverage will continue for the life of the retiree and spouse. Eligible dependent children are covered until age 26.
- *Non-uniformed employees*: For unionized retirees, coverage will continue for the life of the retiree, and spouse coverage continues to Medicare eligibility. Dependents are covered as long as they are eligible. For nonunionized retirees, coverage continues for the life of the retiree; spouse and dependent coverage is limited to the lesser of 2.5 months for every year of service or five years. There is an exception to this whereby one spouse of a non-unionized retiree is covered until the death of the retiree.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 16 Post-Retirement Benefit Plan (Continued)

A. Plan Description (Continued)

Benefits upon Disability

- *Police:* Police officers who are permanently disabled for non-work-related disability are not eligible for postretirement medical benefits. Any police officer who becomes permanently disabled due to a work-related disability pension, in addition to the officer and spouse, any children will continue to receive; benefits as long as they are eligible.
- *Non-uniformed employees:* Employees must be eligible for retirement benefits to receive coverage upon disability.

Employee Contributions for Healthcare Coverage

- *Police:* Police officers contribute 1% of their salary each year for post-retirement health care.
- *Non-uniformed employees:* None, except one Medicare eligible individual is required to contribute \$500 monthly towards the cost.

Life Insurance Benefits

- *Police:* The Township provides life insurance of \$50,000 for death before age 65, and \$15,000 for death after age 65.
- *Non-uniformed employees:* None

B. Funding Policy

Although the Township established the Post-Retirement Healthcare Fund (a fiduciary fund) to help fund future health insurance premiums for retired employees, the Plan is effectively financed on a pay-as-you-go basis. Health care insurance premiums are paid from the Township's Health and Welfare Fund (a governmental fund).

In the fund financial statements, expenditures for post-retirement health care benefits are recognized as the insurance premiums are incurred. In the government-wide financial statements, expenses for post-retirement health care benefits are recognized in the amount of the estimated increase in the net OPEB liability. The expenses/expenditures post-retirement health care benefits for governmental activities and related funds are included under the caption "Employee Benefits". The expenses for post-retirement health care benefits for business-type activities and related funds are recorded as a transfer out to the Post-Retirement Healthcare Fund.

C. Net OPEB Liability

The Township's net OPEB liability of \$276,061 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 16 Post-Retirement Benefit Plan (Continued)

D. Actuarial Methods and Assumptions

The net OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method

Individual Entry Age Normal as a level percentage of payroll.

Discount Rate

The discount rate of 7% reflects the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, and a yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, to the extent that the conditions for use of the long-term expected rate of return are not met.

Salary Increases

5% for police officers and 4% for non-uniform employees.

Price Inflation

2.50%.

Investment Rate of Return

7%.

The Township's objective in selecting the expected long-term rate of return on assets is to estimate the single rate of return that reflect the historical returns, future expectations for each asset class, and the asset mix of the plan assets.

Healthcare Cost Trend Rates

The rates of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Mortality Rates

- *Police:* Pub-2010 Public Safety Headcount-Weighted Mortality Tables (Employee, Retiree, and Disabled tables as applicable), with generational projection using Scale MP-2020.
- *Non-Uniformed:* Pub-2010 General Employee Headcount-Weighted Mortality Tables (Employee, Retiree, and Disabled tables as applicable), with generational projection using Scale MP-2020.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 16 Post-Retirement Benefit Plan (Continued)

D. Actuarial Methods and Assumptions (Continued)

Retirement

- *Police*: 100% retire at age 52 or age that 25 years of service is attained, if later.
- *Non-Uniform*: 100% retire at age 60 or age that 10 years of service (25 years of service for those hired after June 30, 2011) is attained, if later.

Actuarial Experience

The assumptions are related to the past experience of the Plan and represent an estimate of anticipated experience under the Plan.

Participant Data

Participant data is based on information as of January 1, 2021.

E. Changes in the Net OPEB Liability

The components of the change in the total OPEB liability, plan fiduciary net position, and net OPEB liability of Plan for the year ended December 31, 2021 are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Service cost	\$ 891,718	\$ -	\$ 891,718
Interest on total OPEB liability	2,273,664		2,273,664
Changes in assumptions	(73,234)		(73,234)
Projected earnings on fiduciary net position	-	2,146,215	(2,146,215)
Difference between projected and actual earnings	-	1,689,883	(1,689,883)
Contributions - employer	-	804,523	(804,523)
Net benefits paid by employer	(804,523)	(804,523)	-
Administrative expenses	-	(94,842)	94,842
Net Changes	2,287,625	3,741,256	(1,453,631)
Balances as of December 31, 2020	32,437,318	30,707,626	1,729,692
Balances as of December 31, 2021	<u>\$ 34,724,943</u>	<u>\$ 34,448,882</u>	<u>\$ 276,061</u>

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 16 Post-Retirement Benefit Plan (Continued)

F. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The January 1, 2021 valuation was prepared using a discount rate of 6.5%. The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current discount rate:

	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
Net OPEB liability (asset)	\$ 5,175,769	\$ 276,061	\$ (3,699,754)

G. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The January 1, 2021 valuation was prepared using an initial trend rate of 7.5%, decreasing to 4.5%. The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be, if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ (4,294,174)	\$ 276,061	\$ 5,996,070

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the Township recognized an OPEB expense (income) of \$(3,577,453). As of December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings	\$ -	\$ 3,413,559
Differences between expected and actual experience	-	7,784,068
Changes in assumptions	1,156,649	6,119,682
Totals	<u>\$ 1,156,649</u>	<u>\$ 17,317,309</u>

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 16 Post-Retirement Benefit Plan (Continued)

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ending June 30	Amount
2022	\$ (4,691,462)
2023	(5,255,994)
2024	(4,360,265)
2025	(1,600,628)
2026	(245,455)
Thereafter	<u>(6,856)</u>
Total	<u><u>\$ (16,160,660)</u></u>

Note 17 Lease Agreement – East Norriton-Plymouth-Whitpain Joint Sewer Authority

Under an agreement dated October 5, 1959, the East Norriton-Plymouth-Whitpain Joint Sewer Authority (the Authority) agreed to make its sewage treatment plant available to Plymouth Township. Each township will collect a sewage treatment charge from the users, which shall be at rates high enough to cover operating expenses, etc., plus certain specified safety margins. Payments to the Authority in 2021 totaled \$1,488,166 and are included in Sewage Collection and Treatment expenses of the Sewer Revenue and Reserve Fund.

Note 18 Commitments and Contingencies

Grant Programs

The Township participates in state and federally assisted grant programs including State Highway Aid. These programs are subject to program compliance audits by the grantors or their representatives. The Township is potentially liable for any expenditures that may be disallowed pursuant to the terms of these grant programs.

Moyer Landfill Claim

The Township, among others, had been named as a defendant in a class action lawsuit alleging personal injury and loss of property values due to the disposal of hazardous waste at the Moyer landfill site.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 18 Commitments and Contingencies (Continued)

At its public meeting on June 10, 1996, Council adopted a resolution approving a Consent Decree to authorize participation in a settlement trust agreement and a contribution of up to \$200,000 of Township funds. As of December 31, 1996, Plymouth Township had contributed the full payment of \$200,000 toward their share of the Consent Decree. However, part of the settlement agreement required the construction of a Leachate Plant to handle the waste remediation, for which the Township would be responsible for contributing 13.73% of any additional cost of construction and operation of this plant if total cost exceeded the original contribution.

As stated in the Consent Decree, the United States and the Commonwealth of Pennsylvania agreed that by entering into and carrying out its terms, each settler resolved its liability to the United States and the Commonwealth for matters addressed therein and is entitled to protection from claims for contributions. However, the United States and the Commonwealth of Pennsylvania have no obligation to defend any of the settlers in any suit or claim for contribution.

The settlement agreement was amended because the Department of Environmental Protection (“DEP”) and the Environmental Protection Agency (“EPA”) decided that construction of the Leachate Plant was not necessary, and that they would accept instead a monetary settlement of \$600,000. The amendment to the trust included a mutual release of all participating parties. The Consent Decree has been approved by the EPA and the DEP. The Township approved the Amended Consent Decree on August 5, 2002.

During 2002, the Township received \$89,635 from the trust fund, representing the Township’s share of the balance of the trust fund after the \$600,000 settlement payment. In January 2003, the Township received a “final refund” of \$3,448, representing its share of the remaining balance of the Moyer Landfill Settlement Trust Fund.

In March 2004, an Amendment to the Agreement inserting a \$55,000,000 cost re-opener was accepted by the parties. Accordingly, the Settlement Agreement could be re-opened if future costs exceed that amount. The EPA and the Court have approved the Amendment, and the matter has been settled pursuant to the Amended Consent Decree.

The Amended Consent Decree does not relieve the Township’s liability for information not known by the EPA or the DEP. In addition, the United States and the Commonwealth of Pennsylvania reserve certain rights to bring future actions against the Township and others mentioned in the Decree. Council has advised management that the cost overrun re-opener provision is not expected to be triggered, if at all, in the near term; and that if and when it is triggered, the share of additional costs allocated to the group of Settlers which includes the Township could be as low as 10% of the total cost overrun. Management believes that, even if the re-opener provision is triggered, given the number of parties involved, it will not have a material impact on the Township.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 19 Commitments and Contingencies (Continued)

Property Tax Appeals

The Township is also involved in various property tax appeals that are being vigorously defended. At this time, the liability to return taxes under appeal, if any, cannot be reasonably estimated.

Public Entity Risk Pools

The Township is a member of The Delaware Valley Workers' Compensation Trust (the "Trust") which is a regional intergovernmental risk sharing pool formed on January 1, 1992. Authority for the Trust is granted by the Pennsylvania Intergovernmental Cooperation Law and Pennsylvania Workers' Compensation Act as amended. The Trust offers a method of funding and paying medical and indemnity obligations due municipal employees under the Pennsylvania Workers' Compensation Act. The Trust is a regional pool whose members are located in Southeastern Pennsylvania. The purpose and intent of the Trust is to provide an efficient and more cost-effective alternative to commercial insurance and reduce both the frequency and severity of work-related injury and occupational disease claims. The Trust is a recognized entity regulated by the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation and is governed by a Board of Trustees comprised of a representative from each member municipality. The Board of Trustees also elects Trustees to serve on an Executive Committee.

The Trust is funded by its member municipalities and utilizes in-house claims adjustment. Members' contributions are assessed at the beginning of each year based on an independent actuarial study and are recognized as revenue in the year for which insurance protection is provided. Rates charged by the Trust are approved by the Pennsylvania Department of Labor and Industry, Bureau of Worker's Compensation on an annual basis.

In addition, the Township is also a member of the Delaware Valley Insurance Trust (the "Trust"), formed in 1989. This is an association of several municipalities in Southeastern Pennsylvania, which form an intergovernmental risk-sharing pool under the authority granted by the Pennsylvania Intergovernmental Cooperation Act and the Pennsylvania Political Subdivision Tort Claims Governmental Immunity Act. The purpose of the Trust is to provide an efficient and more cost-effective alternative to commercial insurance. The Trust is also intended to prevent and reduce both the frequency and severity of casualty and property losses to member municipalities and injuries to persons or employees that might result in claims being made against such municipalities.

In addition to insurance protection, the Trust provides risk management services, with an emphasis on loss control and claims administration. The Trust is governed by a Board of Trustees comprised of a representative from each member municipality.

Plymouth Township
Notes to Financial Statements
December 31, 2021

Note 19 Commitments and Contingencies (Continued)

The Trust is funded by its member municipalities and utilizes in-house claims adjustment. Each municipality is covered by the pool for the following risks: comprehensive general liability, business automobile liability, public officials' errors and omissions liability, police professional liability, real and personal property, and first party automobile physical damage only. Plymouth Township is covered for all the aforementioned risks. The Trust also purchases public employees' blanket bond and crime coverage for the members with each new member required to make an initial contribution to the Trust upon admission. Thereafter, based on formulas set forth in the Trust Agreement, member contributions are assessed at the beginning of each year based on an actuarial study and are recognized as revenue in the year for which insurance protection is provided.

Other Claims

On May 16, 2005, the Pennsylvania Supreme Court rendered an opinion holding that municipalities cannot assess its legal fees to developers under the Pennsylvania Municipalities Planning Code ("MPC"). Effective January 31, 2005, the MPC was amended to provide that municipalities may assess its legal fees and receive reimbursement from developers. As a result, claims may be made for the refund of legal fees incurred in the review of subdivision and land development plans prior to January 31, 2005, and for the period of any applicable statute of limitations. No claims have yet been made.

Significant losses for possible claims and judgments are covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior fiscal year, and settlement amounts have not exceeded insurance coverage for the current fiscal year or the three prior fiscal years.

Note 20 Subsequent Events

COVID-19

An ongoing worldwide pandemic of coronavirus disease 2019 ("COVID-19") has continued to have an effect on the United States since March 2020. As of the report date, the Township continues to evaluate the ongoing effects of this pandemic on its current and future operations.

Evaluation of Subsequent Events

The Township's management has evaluated subsequent events to determine if events or transactions occurring through June 30, 2022, the date which the financial statements were available for issuance, require potential adjustment to, or disclosures in, the accompanying financial statements. Based upon the evaluation, the Township's management did not identify any subsequent events other than the event noted above that require adjustment to or disclosure in the financial statements.

Plymouth Township
Schedule of Changes in the Township's Net Pension Liability and Related Ratios -
Police Pension Plan
For the Last Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Total Pension Liability</u>								
Service cost	\$ 1,814,239	\$ 1,491,215	\$ 1,421,840	\$ 1,257,251	\$ 1,197,382	\$ 1,256,076	\$ 1,218,836	\$ 1,160,796
Interest on total pension liability	3,229,620	3,071,427	2,884,474	2,587,746	2,433,759	2,464,586	2,328,216	2,172,780
Changes in benefit terms	-	-	-	-	-	54,010	-	-
Changes in assumptions	3,208,905	(99,003)	1,934,754	-	(929,245)	-	744,490	-
Differences between expected and actual experience	(84,263)	1,717	10,438	-	(1,913,571)	-	(1,198,877)	-
Benefit payments	<u>(1,908,761)</u>	<u>(1,653,393)</u>	<u>(1,617,719)</u>	<u>(1,484,699)</u>	<u>(1,377,973)</u>	<u>(1,258,480)</u>	<u>(1,138,580)</u>	<u>(1,087,555)</u>
 <u>Net Change in Total Pension Liability</u>	 6,259,740	 2,811,963	 4,633,787	 2,360,298	 (589,648)	 2,516,192	 1,954,085	 2,246,021
 <u>Total Pension Liability - Beginning</u>	 <u>47,516,195</u>	 <u>44,704,232</u>	 <u>40,070,445</u>	 <u>37,710,147</u>	 <u>38,299,795</u>	 <u>35,783,603</u>	 <u>33,829,518</u>	 <u>31,583,497</u>
 <u>Total Pension Liability - Ending</u>	 <u>\$53,775,935</u>	 <u>\$47,516,195</u>	 <u>\$44,704,232</u>	 <u>\$40,070,445</u>	 <u>\$37,710,147</u>	 <u>\$38,299,795</u>	 <u>\$35,783,603</u>	 <u>\$33,829,518</u>
 <u>Plan Fiduciary Net Position</u>								
Contributions - employer (state and township)	\$ 1,681,730	\$ 1,582,745	\$ 1,613,367	\$ 1,577,886	\$ 1,476,013	\$ 1,495,738	\$ 1,537,470	\$ 1,501,525
Contributions - member	183,057	234,361	220,184	158,633	154,237	138,932	141,296	141,773
Net investment income	6,730,541	7,610,376	7,817,099	(2,160,448)	5,464,058	2,171,116	268,360	1,625,147
Benefit payments	(1,908,761)	(1,652,853)	(1,617,719)	(1,484,699)	(1,377,973)	(1,258,480)	(1,138,580)	(1,087,555)
Administrative expense	<u>(179,930)</u>	<u>(123,981)</u>	<u>(118,424)</u>	<u>(127,966)</u>	<u>(125,178)</u>	<u>(112,818)</u>	<u>(120,911)</u>	<u>(106,524)</u>
 <u>Net Change in Plan Fiduciary Net Position</u>	 6,506,637	 7,650,648	 7,914,507	 (2,036,594)	 5,591,157	 2,434,488	 687,635	 2,074,366
 <u>Plan Fiduciary Net Position - Beginning</u>	 <u>54,345,153</u>	 <u>46,694,505</u>	 <u>38,779,998</u>	 <u>40,816,592</u>	 <u>35,225,435</u>	 <u>32,790,947</u>	 <u>32,103,312</u>	 <u>30,028,946</u>
 <u>Plan Fiduciary Net Position - Ending</u>	 <u>\$60,851,790</u>	 <u>\$54,345,153</u>	 <u>\$46,694,505</u>	 <u>\$38,779,998</u>	 <u>\$40,816,592</u>	 <u>\$35,225,435</u>	 <u>\$32,790,947</u>	 <u>\$32,103,312</u>
 <u>Township's Net Pension Liability</u>	 <u>\$ (7,075,855)</u>	 <u>\$ (6,828,958)</u>	 <u>\$ (1,990,273)</u>	 <u>\$ 1,290,447</u>	 <u>\$ (3,106,445)</u>	 <u>\$ 3,074,360</u>	 <u>\$ 2,992,656</u>	 <u>\$ 1,726,206</u>
 <u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>	 113.2%	 114.4%	 104.5%	 96.8%	 108.2%	 92.0%	 91.6%	 94.9%
 <u>Covered-Employee Payroll</u>	 5,934,026	 \$ 6,142,924	 \$ 5,504,359	 \$ 5,218,503	 \$ 5,055,532	 \$ 4,588,320	 \$ 4,752,704	 \$ 4,539,487
 <u>Township's Net Pension Liability as a Percentage of Covered Employee Payroll</u>	 -119.2%	 -111.2%	 -36.2%	 24.7%	 -61.4%	 67.0%	 63.0%	 38.0%

This schedule is intended to show 10 years - additional information will be presented as it becomes available.

Plymouth Township
Schedule of Changes in the Township's Net Pension Liability and Related Ratios -
Non-Uniformed Employees' Pension Plan
For the Last Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Total Pension Liability</u>								
Service cost	\$ 866,381	\$ 796,056	\$ 766,531	\$ 773,093	\$ 743,359	\$ 707,281	\$ 625,990	\$ 601,914
Interest on total pension liability	2,082,730	2,040,453	1,907,874	1,751,149	1,632,649	1,515,186	1,356,066	1,269,369
Changes in assumptions	1,931,078	(88,367)	1,546,896	-	92,220	-	863,051	-
Differences between expected and actual experience	(932,913)	1,134	(1,120,245)	-	24,240	-	77,212	-
Benefit payments	<u>(874,760)</u>	<u>(834,775)</u>	<u>(726,065)</u>	<u>(697,872)</u>	<u>(668,421)</u>	<u>(653,356)</u>	<u>(644,992)</u>	<u>(620,541)</u>
<u>Net Change in Total Pension Liability</u>	3,072,516	1,914,501	2,374,991	1,826,370	1,824,047	1,569,111	2,277,327	1,250,742
<u>Total Pension Liability - Beginning</u>	31,481,211	29,566,710	27,191,719	25,365,349	23,541,302	21,972,191	19,694,864	18,444,122
<u>Total Pension Liability - Ending</u>	<u>\$34,553,727</u>	<u>\$31,481,211</u>	<u>\$29,566,710</u>	<u>\$27,191,719</u>	<u>\$25,365,349</u>	<u>\$23,541,302</u>	<u>\$21,972,191</u>	<u>\$19,694,864</u>
<u>Plan Fiduciary Net Position</u>								
Contributions - employer (state and township)	\$ 975,753	\$ 1,001,349	\$ 967,292	\$ 956,009	\$ 693,377	\$ 662,176	\$ 567,669	\$ 555,386
Contributions - member	-	220	972	1,769	-	-	-	-
Net Investment income	4,262,298	4,829,002	4,927,870	(1,352,050)	3,441,905	1,375,957	173,048	1,071,536
Benefit payments	(874,760)	(834,775)	(726,065)	(697,872)	(668,421)	(653,356)	(644,992)	(620,542)
Administrative expense	<u>(121,212)</u>	<u>(83,218)</u>	<u>(94,981)</u>	<u>(83,842)</u>	<u>(74,929)</u>	<u>(75,220)</u>	<u>(83,176)</u>	<u>(80,838)</u>
<u>Net Change in Plan Fiduciary Net Position</u>	4,242,079	4,912,578	5,075,088	(1,175,986)	3,391,932	1,309,557	12,549	925,542
<u>Plan Fiduciary Net Position - Beginning</u>	34,361,421	29,448,843	24,373,755	25,549,741	22,157,809	20,848,252	20,835,703	19,910,161
<u>Plan Fiduciary Net Position - Ending</u>	<u>\$38,603,500</u>	<u>\$34,361,421</u>	<u>\$29,448,843</u>	<u>\$24,373,755</u>	<u>\$25,549,741</u>	<u>\$22,157,809</u>	<u>\$20,848,252</u>	<u>\$20,835,703</u>
<u>Township's Net Pension Liability (Surplus)</u>	<u>\$ (4,049,773)</u>	<u>\$ (2,880,210)</u>	<u>\$ 117,867</u>	<u>\$ 2,817,964</u>	<u>\$ (184,392)</u>	<u>\$ 1,383,493</u>	<u>\$ 1,123,939</u>	<u>\$ (1,140,839)</u>
<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>	111.7%	109.1%	99.6%	89.6%	100.7%	94.1%	94.9%	105.8%
<u>Covered-Employee Payroll</u>	\$ 5,019,085	\$ 5,377,683	\$ 5,365,134	\$ 5,144,100	\$ 4,891,368	\$ 5,029,053	\$ 4,825,757	\$ 4,417,118
<u>Township's Net Pension Liability as a Percentage of Covered Employee Payroll</u>	-80.7%	-53.6%	2.2%	54.8%	-3.8%	27.5%	23.3%	-25.8%

This schedule is intended to show 10 years - additional information will be presented as it becomes available.

Plymouth Township
Schedule of Township Contributions - Police Pension Fund
For the Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Actuarially Determined Contribution</u>	\$ 1,681,730	\$ 1,582,745	\$ 1,613,367	\$ 1,577,886	\$ 1,476,013	\$ 1,495,738	\$ 1,537,470	\$ 1,501,525	\$ 1,431,875	\$ 1,437,447
<u>Contributions in Relation to the Actuarial Determined Contribution</u>	<u>1,681,730</u>	<u>1,582,745</u>	<u>1,613,367</u>	<u>1,577,886</u>	<u>1,476,013</u>	<u>1,495,738</u>	<u>1,537,470</u>	<u>1,501,525</u>	<u>1,431,875</u>	<u>1,437,447</u>
<u>Contribution Deficiency (Excess)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Covered-Employee Payroll</u>	\$ 5,934,026	\$ 6,142,924	\$ 5,504,359	\$ 5,218,503	\$ 5,055,532	\$ 4,588,320	\$ 4,752,704	\$ 4,539,487	\$ 4,508,159	\$ 4,117,234
<u>Contributions as a Percentage of Covered-employee Payroll</u>	28.3%	25.8%	29.3%	30.2%	29.2%	32.6%	32.3%	33.1%	31.8%	34.9%

Notes to Schedule

Actuarially-determined contributions are determined in accordance with Pennsylvania Act 205.
Covered payroll includes pay for anyone working at least six months in the year.

Methods and assumptions used to determine contribution rates for the year ended December 31, 2021:

Valuation Date	1/1/2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Remaining Amortization Period	N/A
Asset Valuation Method	Adjusted Market Value
Investment Rate of Return	6.5%
Projected Salary Increases	5.0%
Inflation	3.0%
Cost of Living Adjustment	3.0%

Plymouth Township
Schedule of Township Contributions - Non-Uniformed Employees' Pension Fund
For the Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Actuarially Determined Contribution</u>	\$ 975,753	\$ 1,001,349	\$ 967,292	\$ 956,009	\$ 693,377	\$ 662,176	\$ 567,669	\$ 555,386	\$ 604,052	\$ 594,080
<u>Contributions in Relation to the Actuarial Determined Contribution</u>	<u>975,753</u>	<u>1,001,349</u>	<u>967,292</u>	<u>956,009</u>	<u>693,377</u>	<u>662,176</u>	<u>567,669</u>	<u>555,386</u>	<u>604,052</u>	<u>594,080</u>
<u>Contribution Deficiency (Excess)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Covered-Employee Payroll</u>	\$ 5,019,085	\$ 5,377,683	\$ 5,365,134	\$ 5,144,100	\$ 4,891,368	\$ 5,029,053	\$ 4,825,757	\$ 4,417,118	\$ 4,391,845	\$ 4,172,910
<u>Contributions as a Percentage of Covered-employee Payroll</u>	19.4%	18.6%	18.0%	18.6%	14.2%	13.2%	11.8%	12.6%	13.8%	14.2%

Notes to Schedule

Actuarially-determined contributions are determined in accordance with Pennsylvania Act 205.
Covered payroll includes pay for anyone working at least six months in the year.

Methods and assumptions used to determine contribution rates for the year ended December 31, 2021:

Valuation Date	1/1/2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Remaining Amortization Period	N/A
Asset Valuation Method	Adjusted Market Value
Investment Rate of Return	6.5%
Projected Salary Increases	4.0%
Inflation	3.0%
Cost of Living Adjustment	3.0%

Plymouth Township
Schedule of Investment Returns -
Police Pension Fund and Non-Uniformed Employees' Pension Fund
For the Last Nine Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Police Pension Plan</u>									
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.55%	16.45%	20.40%	-5.35%	15.69%	6.67%	0.84%	5.37%	15.01%
<u>Non-Uniformed Employees' Pension Plan</u>									
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.53%	16.52%	20.39%	-5.33%	15.71%	6.65%	0.84%	5.40%	15.09%

This schedule is intended to show 10 years - additional information will be presented as it becomes available.

Plymouth Township
Schedule of Changes in the Township's Net OPEB Liability and Related Ratios -
For the Last Four Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Total OPEB Liability</u>				
Service cost	\$ 891,718	\$ 855,818	\$ 1,186,591	\$ 1,444,081
Interest on total OPEB liability	2,273,664	2,447,153	2,612,988	2,762,563
Changes in assumptions	(73,234)	1,666,185	(10,250,549)	(1,263,360)
Differences between expected and actual experience	-	(4,504,943)	-	(11,238,807)
Benefit payments	<u>(804,523)</u>	<u>(805,288)</u>	<u>(754,310)</u>	<u>(660,476)</u>
 <u>Net Change in Total OPEB Liability</u>	 2,287,625	 (341,075)	 (7,205,280)	 (8,955,999)
 <u>Total OPEB Liability - Beginning</u>	 <u>32,437,318</u>	 <u>32,778,393</u>	 <u>39,983,673</u>	 <u>48,939,672</u>
 <u>Total OPEB Liability - Ending</u>	 <u><u>\$34,724,943</u></u>	 <u><u>\$32,437,318</u></u>	 <u><u>\$32,778,393</u></u>	 <u><u>\$39,983,673</u></u>
 <u>Plan Fiduciary Net Position</u>				
Contributions - employer	\$ 804,523	\$ 805,288	\$ 754,310	\$ 660,476
Net investment income	3,836,098	4,394,006	4,459,661	(1,197,242)
Benefit payments	(804,523)	(805,288)	(754,310)	(660,476)
Administrative expense	<u>(94,842)</u>	<u>(67,849)</u>	<u>(68,137)</u>	<u>(66,330)</u>
 <u>Net Change in Plan Fiduciary Net Position</u>	 3,741,256	 4,326,157	 4,391,524	 (1,263,572)
 <u>Plan Fiduciary Net Position - Beginning</u>	 <u>30,707,626</u>	 <u>26,381,469</u>	 <u>21,989,945</u>	 <u>23,253,517</u>
 <u>Plan Fiduciary Net Position - Ending</u>	 <u><u>\$34,448,882</u></u>	 <u><u>\$30,707,626</u></u>	 <u><u>\$26,381,469</u></u>	 <u><u>\$21,989,945</u></u>
 <u>Township's Net OPEB Liability</u>	 <u><u>\$ 276,061</u></u>	 <u><u>\$ 1,729,692</u></u>	 <u><u>\$ 6,396,924</u></u>	 <u><u>\$17,993,728</u></u>
 <u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>	 99.2%	 94.7%	 80.5%	 55.0%
 <u>Covered-Employee Payroll</u>	 \$11,849,791	 \$11,335,578	 \$10,775,072	 \$10,362,603
 <u>Township's Net OPEB Liability as a Percentage of Covered Employee Payroll</u>	 2.3%	 15.3%	 59.4%	 173.6%

This schedule is intended to show 10 years - additional information will be presented as it becomes available.

Plymouth Township
Schedule of Investment Returns -
Post-Retirement Healthcare Fund
For the Last Four Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Annual Money-Weighted Rate of Return,</u>				
<u>Net of Investment Expense</u>	12.51%	16.62%	20.31%	-5.16%

This schedule is intended to show 10 years - additional information will be presented as it becomes available.

Plymouth Township
Schedule of Revenues
General Fund
For the Year Ended December 31, 2021

Taxes

Earned income tax		\$ 7,752,142
Real estate taxes		
Current real estate taxes	\$ 2,842,403	
Prior-year real estate taxes	245,201	
Liened real estate taxes	84,164	
Interim real estate taxes	<u>53,378</u>	3,225,146
Fire services fee		1,203,841
Business privilege taxes		4,381,769
Mercantile taxes		2,136,313
Real estate transfer taxes		1,050,819
Local services tax		1,107,897
Solid waste disposal tax		1,354,002
Other taxes		
Amusement tax	37,503	
Mechanical devices taxes	<u>537</u>	<u>38,040</u>
Total Taxes		22,249,969

Licenses and permits

Commonwealth of Penna. liquor licenses	600	
Building and plumbing permits	975,652	
CATV franchise fees	313,628	
Streets permits	130,818	
Zoning permits	54,575	
Mercantile licenses	5,650	
Business privileges licenses	30,225	
Other licenses and permits	<u>20,803</u>	1,531,951
Fines and forfeits		137,124

Intergovernmental

Municipal pension grant	757,971	
Firemen's relief association allocation	154,026	
Recycling	99,939	
Public utility taxes	22,140	
Coronavirus State And Local Fiscal Recovery Funds	917,478	
Other grants	<u>58,841</u>	2,010,395

Charges for services

Inspection services	214,140	
Special duty police	20,822	
Engineering and other cost reimbursements	490,663	
Recreation fees	264,246	
Recycling	8,116	
Miscellaneous service revenue	<u>121,470</u>	1,119,457

Investment earnings

27,787

Miscellaneous

187,372

Total Revenues

\$ 27,264,055

Plymouth Township
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual Expenditures	Favorable (Unfavorable) Variance
<u>General Government</u>			
<u>Manager's Office</u>			
Salaries and wages	\$ 620,582	\$ 633,716	\$ (13,134)
Telephone	2,500	3,081	(581)
Council budgeted expenditures	20,000	-	20,000
Civic organizations - contributions	33,000	33,000	-
	<u>676,082</u>	<u>669,797</u>	<u>6,285</u>
<u>Totals - Manager's Office</u>			
<u>Administration</u>			
Salaries and wages	290,866	326,992	(36,126)
Office supplies	9,000	6,664	2,336
Miscellaneous supplies	100	63	37
Office equipment	1,500	-	1,500
Furniture and fixtures	-	467	(467)
Computer hardware	118,000	201,464	(83,464)
Computer software	102,000	41,800	60,200
Audit / accounting services	29,500	29,500	-
Engineering services	7,500	35,767	(28,267)
Legal services	125,000	166,392	(41,392)
Maintenance and support - computer	97,500	189,693	(92,193)
Other professional consultants	1,500	-	1,500
Telephone	20,635	16,148	4,487
Postage, mailing, and delivery	3,200	3,526	(326)
Internet services	14,000	9,403	4,597
Automobile	4,000	4,125	(125)
Printing and advertising	15,000	7,761	7,239
Casualty insurance	272,000	311,180	(39,180)
Surety and fidelity bonds	12,000	9,309	2,691
Worker's compensation insurance	360,000	316,637	43,363
Unemployment compensation insurance	55,000	70,801	(15,801)
Insurance claim deductible	15,000	1,000	14,000
Maintenance and repairs - equipment	500	290	210
Rental of equipment	700	-	700
Miscellaneous services	50,000	50,709	(709)
Dues, subscriptions, and memberships	2,250	2,035	215
Training and seminars	7,500	2,100	5,400
Miscellaneous charges	2,000	2,640	(640)
	<u>1,616,251</u>	<u>1,806,466</u>	<u>(190,215)</u>
<u>Totals - Administration</u>			

(Continued)

Plymouth Township
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual Expenditures	Favorable (Unfavorable) Variance
<u>Tax Collection</u>			
Salaries and wages	\$ 77,180	\$ 74,380	\$ 2,800
Computer hardware	1,000	-	1,000
Computer software	5,500	2,677	2,823
Audit / accounting services	20,000	25,605	(5,605)
Tax collection services	91,500	81,422	10,078
Postage, mailing, and delivery	7,000	7,085	(85)
Printing and advertising	500	1,114	(614)
Refunds of taxes	19,500	365,462	(345,962)
<u>Totals - Tax Collection</u>	<u>222,180</u>	<u>557,745</u>	<u>(335,565)</u>
<u>Municipal Buildings</u>			
Salaries and wages	174,270	153,109	21,161
Building maintenance supplies	2,000	1,052	948
Janitorial supplies	12,000	11,167	833
Clothing and uniforms	900	900	-
Small tools and equipment	1,000	-	1,000
Telephone	1,000	-	1,000
Electricity	60,000	63,260	(3,260)
Water	11,000	15,405	(4,405)
Maintenance and repairs - equipment	9,000	2,769	6,231
Maintenance and repairs - buildings	11,000	14,331	(3,331)
Miscellaneous services	10,000	8,307	1,693
Building - replacement and improvements	15,000	9,113	5,887
<u>Totals - Municipal Buildings</u>	<u>307,170</u>	<u>279,413</u>	<u>27,757</u>
<u>Reimbursable Costs</u>			
Engineering services	200,000	281,654	(81,654)
Legal services	40,000	41,137	(1,137)
Other professional consultants	50,000	49,451	549
<u>Totals - Reimbursable Costs</u>	<u>290,000</u>	<u>372,242</u>	<u>(82,242)</u>
<u>Totals - General Government</u>	<u>3,111,683</u>	<u>3,685,663</u>	<u>(573,980)</u>

(Continued)

Plymouth Township
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual Expenditures	Favorable (Unfavorable) Variance
<u>Public Safety</u>			
<u>Police Protection</u>			
Salaries and wages	\$ 7,138,794	\$ 7,218,403	\$ (79,609)
Office supplies	7,500	5,695	1,805
Photo lab and identification	11,000	37,843	(26,843)
Ammunition and supplies	24,050	11,007	13,043
Gasoline, oil, and grease	75,000	79,507	(4,507)
Clothing and uniforms	51,250	40,918	10,332
K-9 / kennel expenditures	9,000	915	8,085
Tires and tubes	13,000	17,732	(4,732)
Vehicle and equipment repair parts	33,000	28,973	4,027
Miscellaneous supplies	15,190	13,697	1,493
Office equipment	1,000	-	1,000
Firearms and tactical equipment	7,000	8,214	(1,214)
Furniture and fixtures	4,000	3,531	469
Computer hardware	17,000	(4,816)	21,816
Computer software	1,000	1,750	(750)
License fees and contracts	205,963	192,611	13,352
Communications equipment	3,950	420	3,530
Vehicle equipment	23,500	23,556	(56)
Miscellaneous equipment and tools	500	66	434
Professional consultants	3,000	1,500	1,500
Telephone	40,000	34,246	5,754
Postage, mailing, and delivery	1,500	879	621
Radio equipment maintenance	2,500	2,145	355
Printing and advertising	19,000	10,576	8,424
Electricity	10,000	1,091	8,909
Maintenance and repairs - equipment	3,750	3,359	391
Maintenance and repairs - traffic signals	-	(12,201)	12,201
Maintenance and repairs - vehicles	25,000	10,288	14,712
Miscellaneous services	500	-	500
Civil service	23,250	14,798	8,452
Training and seminars	25,000	13,067	11,933
Miscellaneous charges	9,200	9,233	(33)
Vehicle purchases	39,364	39,364	-
Electronic equipment	2,950	-	2,950
<u>Totals - Police Protection</u>	<u>7,846,711</u>	<u>7,808,367</u>	<u>38,344</u>

(Continued)

Plymouth Township
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual Expenditures	Favorable (Unfavorable) Variance
<u>Fire Protection and Emergency Management</u>			
Salaries and wages	\$ 185,922	\$ 152,856	\$ 33,066
Gasoline, oil, and grease	2,200	2,309	(109)
Tires and tubes	1,000	744	256
Vehicle and equipment repair parts	2,000	712	1,288
Miscellaneous supplies	3,000	4,985	(1,985)
Small tools and equipment	1,000	936	64
Computer hardware	6,500	6,144	356
Computer software	750	-	750
Communications equipment	10,000	9,887	113
Maintenance and support - computer	3,000	2,435	565
Postage, mailing, and delivery	-	476	(476)
Printing and advertising	1,000	1,020	(20)
Radio equipment maintenance	1,000	992	8
Hydrant service	95,000	84,696	10,304
Maintenance and repairs - vehicles	3,000	246	2,754
Miscellaneous services	3,000	428	2,572
Dues, subscriptions, and memberships	2,000	1,671	329
Training, Seminars, and Tuition	2,500	702	1,798
Miscellaneous charges	500	494	6
Fire Companies - donated telephone reimbursements	8,500	6,479	2,021
Fire companies - donated fuel	16,500	17,074	(574)
Donations to fire companies	811,700	811,700	-
Firefighter stipend	60,000	71,830	(11,830)
Ambulance association - donated fuel	30,000	48,417	(18,417)
Donations to ambulance association	65,000	15,720	49,280
Payment of the Commonwealth's allocation to the Firemen's Relief Association	164,479	154,026	10,453
<u>Totals - Fire Protection and Emergency Management</u>	<u>1,479,551</u>	<u>1,396,979</u>	<u>82,572</u>
<u>Zoning</u>			
Salaries and wages	86,275	85,145	1,130
Office supplies	250	-	250
Vehicle and equipment repair parts	-	466	(466)
Miscellaneous supplies	200	-	200
Computer hardware	2,000	-	2,000
Legal services	15,000	31,332	(16,332)
Other professional consultants	2,000	3,968	(1,968)
Stenographic services	4,000	17,795	(13,795)
Postage, mailing, and delivery	4,000	3,039	961
Printing and advertising	6,000	7,078	(1,078)
Codification of ordinances	7,500	2,815	4,685
Maintenance and repairs - vehicles	500	20	480
Dues, subscriptions, and memberships	600	1,019	(419)
Board expenditures	2,995	2,995	-
Training and seminars	750	-	750
<u>Totals - Zoning</u>	<u>132,070</u>	<u>155,672</u>	<u>(23,602)</u>

(Continued)

Plymouth Township
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual Expenditures	Favorable (Unfavorable) Variance
<u>Building</u>			
Salaries and wages	\$ 93,250	\$ 101,565	\$ (8,315)
Office supplies	3,000	1,645	1,355
Books, publications, and reference materials	2,000	(92)	2,092
Miscellaneous supplies	500	16	484
Office equipment	2,500	500	2,000
Computer hardware	2,500	-	2,500
Computer software	2,000	-	2,000
Maintenance and support - computer	10,000	5,116	4,884
Professional consultants	600,000	755,443	(155,443)
Printing and advertising	750	259	491
Maintenance and repairs - equipment	1,000	1,786	(786)
Dues, subscriptions, and memberships	1,000	8	992
Training and seminars	750	-	750
Miscellaneous charges	250	-	250
<u>Totals - Building</u>	<u>719,500</u>	<u>866,246</u>	<u>(146,746)</u>
<u>Code Enforcement</u>			
Salaries and wages	199,886	175,715	24,171
Gasoline, oil, and grease	2,000	2,393	(393)
Clothing and uniforms	2,000	304	1,696
Vehicle and equipment repair parts	3,000	4,343	(1,343)
Miscellaneous supplies	1,000	8	992
Computer hardware	2,000	-	2,000
Other professional consultants	1,000	-	1,000
Postage, mailing, and delivery	400	851	(451)
Printing and advertising	500	101	399
Miscellaneous services	3,000	1,314	1,686
Dues, subscriptions, and memberships	750	659	91
Training and seminars	1,500	400	1,100
<u>Totals - Code Enforcement</u>	<u>217,036</u>	<u>186,088</u>	<u>30,948</u>
<u>Totals - Public Safety</u>	<u>10,394,868</u>	<u>10,413,352</u>	<u>(18,484)</u>

(Continued)

Plymouth Township
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual Expenditures	Favorable (Unfavorable) Variance
<u>Public Works</u>			
<u>Sanitation</u>			
Salaries and wages	\$ 598,000	\$ 587,841	\$ 10,159
Recycling supplies and materials	7,500	-	7,500
Gasoline, oil, and grease	35,000	39,076	(4,076)
Clothing and uniforms	4,400	4,000	400
Tires and tubes	20,000	17,321	2,679
Vehicle and equipment repair parts	27,000	56,705	(29,705)
Miscellaneous supplies	5,000	5,412	(412)
Maintenance and repairs - vehicles	30,000	10,663	19,337
Miscellaneous services	15,500	800	14,700
Trash disposal costs	292,000	276,558	15,442
Recycling disposal costs	130,000	59,118	70,882
<u>Totals - Sanitation</u>	<u>1,164,400</u>	<u>1,057,494</u>	<u>106,906</u>
<u>Administration</u>			
Salaries and wages	389,575	445,228	(55,653)
Office supplies	250	-	250
Clothing and uniforms	4,000	3,600	400
Engineering services	10,000	-	10,000
Telephone	2,000	2,932	(932)
Postage, mailing, and delivery	500	13	487
Radio equipment maintenance	500	298	202
Printing and advertising	1,000	557	443
Miscellaneous services	1,000	962	38
Dues, subscriptions, and memberships	500	-	500
Training and seminars	500	2,425	(1,925)
<u>Totals - Administration</u>	<u>409,825</u>	<u>456,015</u>	<u>(46,190)</u>

(Continued)

Plymouth Township
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual Expenditures	Favorable (Unfavorable) Variance
<u>Street Maintenance</u>			
Salaries and wages	\$ 79,000	\$ 110,749	\$ (31,749)
Street signs	500	-	500
Street maintenance materials and supplies	500	-	500
Street paving materials	500	-	500
Storm sewer materials and supplies	1,000	208	792
Vehicle and equipment repair parts	1,000	-	1,000
Miscellaneous supplies	5,600	4,483	1,117
Small tools and equipment	1,000	-	1,000
Miscellaneous tools and equipment	100	-	100
Construction contractors	10,000	7,215	2,785
Maintenance and repairs - equipment	4,500	949	3,551
Rental of equipment	500	-	500
Miscellaneous services	2,000	6,735	(4,735)
<u>Totals - Street Maintenance</u>	<u>106,200</u>	<u>130,339</u>	<u>(24,139)</u>
<u>Highway Services</u>			
Salaries and wages	98,000	69,027	28,973
Branch collection materials and supplies	500	-	500
Small tools and equipment	500	-	500
Miscellaneous supplies	1,000	-	1,000
Leaf collection equipment	1,000	-	1,000
Electricity	125,000	115,082	9,918
Maintenance and repairs - street lighting	50,000	46,201	3,799
Maintenance and repairs - equipment	22,000	4,815	17,185
Maintenance and repairs - traffic signals	100,000	56,635	43,365
<u>Totals - Highway Services</u>	<u>398,000</u>	<u>291,760</u>	<u>106,240</u>
<u>Equipment Maintenance and Purchases</u>			
Salaries and wages	227,000	229,028	(2,028)
Gasoline, oil, and grease	40,000	31,008	8,992
Maintenance garage materials and supplies	15,000	9,224	5,776
Tires and tubes	15,000	10,066	4,934
Vehicle and equipment repair parts	35,000	46,005	(11,005)
Miscellaneous supplies	1,000	3,941	(2,941)
Small tools and equipment	500	-	500
Communications equipment	1,000	-	1,000
Maintenance and repairs - equipment	15,000	19,393	(4,393)
Maintenance and repairs - vehicles	10,000	191	9,809
<u>Totals - Equipment Maintenance and Purchases</u>	<u>359,500</u>	<u>348,856</u>	<u>10,644</u>
<u>Totals - Public Works</u>	<u>2,437,925</u>	<u>2,284,464</u>	<u>153,461</u>

(Continued)

Plymouth Township
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual Expenditures	Favorable (Unfavorable) Variance
<u>Culture and Recreation</u>			
<u>Buildings and Grounds</u>			
Salaries and wages	\$ 592,137	\$ 621,898	\$ (29,761)
Clothing allowance	2,400	2,400	-
Office supplies	700	152	548
Groundskeeping and agricultural supplies	25,000	30,129	(5,129)
Gasoline, oil, and grease	10,000	10,124	(124)
Clothing and uniforms	-	648	(648)
Tires and tubes	2,000	369	1,631
Vehicle and equipment repair parts	7,500	12,634	(5,134)
Small tools and equipment	1,500	1,189	311
Miscellaneous equipment and tools	2,000	144	1,856
Telephone	3,500	3,695	(195)
Printing and advertising	500	-	500
Electricity	35,000	25,452	9,548
Water	20,000	31,898	(11,898)
Maintenance and repairs - vehicles	3,000	3,123	(123)
Maintenance and repairs - buildings	7,000	10,534	(3,534)
Maintenance and repairs - grounds	15,000	13,820	1,180
Rental of equipment	2,000	-	2,000
Miscellaneous services	54,120	54,282	(162)
Miscellaneous charges	1,250	100	1,150
<u>Totals - Buildings and Grounds</u>	<u>784,607</u>	<u>822,591</u>	<u>(37,984)</u>

(Continued)

Plymouth Township
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual Expenditures	Favorable (Unfavorable) Variance
<u>Parks and Recreation</u>			
Salaries and wages	\$ 162,774	\$ 317,272	\$ (154,498)
Office supplies	1,125	-	1,125
Recreation program supplies	4,208	2,163	2,045
Clothing and uniforms	300	-	300
Vehicle repair parts	3,000	163	2,837
Recreation program equipment	450	16	434
Computer hardware	1,175	95	1,080
Maintenance and support - computer	2,285	-	2,285
Telephone	850	730	120
Postage, mailing, and delivery	4,754	-	4,754
Entertainers	7,300	7,050	250
Contracted instructors	17,677	25,760	(8,083)
Automobile	100	-	100
Printing and advertising	3,316	250	3,066
Rental of equipment	780	779	1
Miscellaneous services	2,410	2,155	255
Plymouth Township Day	22,800	10,888	11,912
Tickets - PA Rec. Society	30,000	17,254	12,746
Bus trips, admission to rec. facility	9,259	2,144	7,115
Dues, subscriptions, and memberships	1,995	1,375	620
Donation	750	2,439	(1,689)
Tree light / holiday program	2,000	1,580	420
Training and seminars	1,400	150	1,250
Miscellaneous charges	-	153	(153)
Contributions to sports organizations	34,300	23,500	10,800
Harriet Wetherill Park	111,707	62,126	49,581
<u>Totals - Parks and Recreation</u>	<u>426,715</u>	<u>478,042</u>	<u>(51,327)</u>
<u>Totals - Culture and Recreation</u>	<u>1,211,322</u>	<u>1,300,633</u>	<u>(89,311)</u>
<u>Employee Benefits</u>			
Social security taxes	950,000	971,139	(21,139)
Transfer to police pension	1,681,730	1,681,730	-
Transfer to non-uniformed employees' pension	975,753	849,034	126,719
<u>Totals - Employee Benefits</u>	<u>3,607,483</u>	<u>3,501,903</u>	<u>105,580</u>
<u>Other Financing Uses</u>			
Transfer to health and welfare fund for employees' insurances	4,062,020	3,730,566	331,454
Transfer to capital reserve fund	200,000	700,000	(500,000)
Transfer to community center fund	1,000,000	1,000,897	(897)
<u>Totals - Other Financing Uses</u>	<u>5,262,020</u>	<u>5,431,463</u>	<u>(169,443)</u>
<u>Total Budgeted and Actual Expenditures and Other Financing Uses</u>	<u>\$ 26,025,301</u>	<u>\$ 26,617,478</u>	<u>\$ (592,177)</u>

Plymouth Township
Statement of Revenues, Expenses, and Changes in Net Position
Greater Plymouth Community Center
For the Year Ended December 31, 2021

Operating Revenues

Charges for services	
Program services	\$ 619,357
Membership revenue	287,069
Daily admissions	1,445
Rental revenues	109,665
Pro shop sales	1,171
General services	76
	<hr/>
<u>Total Operating Revenues</u>	\$ 1,018,783

Operating expenses

Wages	1,135,083
Employee benefits	126,719
Office supplies	765
Recreation program supplies	7,740
Pool supplies	20,907
Building maintenance supplies	8,647
Janitorial supplies	18,051
Clothing and uniforms	1,502
Miscellaneous supplies	3,380
Minor tools and equipment	612
Minor recreation program equipment	45
Minor building improvements	4,052
Minor computer hardware and software	170
Miscellaneous equipment and tools	314
Telephone	10,976
Postage, mailing, and delivery	349
Contracted instructors	41,324
Printing and advertising	2,168
Utilities	202,027
Maintenance and repairs	19,712
Rental of equipment	779
Miscellaneous services	22,715
Dues, subscriptions, memberships	367
Training - seminars	914
Bus trips	8,299
Depreciation expense	416,940
Other expenses	430
	<hr/>
<u>Total Operating Expenses</u>	2,054,987
	<hr/>
<u>Operating (Loss)</u>	(1,036,204)

Nonoperating Revenue

Interest income	9
	<hr/>
<u>Total Nonoperating Revenue</u>	809
	<hr/>
<u>(Loss) before Transfers</u>	(1,035,395)
Contributions from governmental funds	1,000,897
	<hr/>
<u>Change in Net Position</u>	(365,952)
<u>Total Net Position - Beginning of Year</u>	9,462,418
	<hr/>
<u>Total Net Position - End of Year</u>	\$ 9,096,466

Plymouth Township
Combining Statement of Net Position
Component Units
December 31, 2021

	Plymouth Township Parks Recreation and Facilities Fund	Harmonville Fire Company	Plymouth Fire Company	Total
<u>Assets</u>				
<u>Current Assets</u>				
Cash and cash equivalents	\$ 307	\$ 519,274	\$ 729,671	\$ 1,249,252
Equity in pooled cash and investments	21,044	-	-	21,044
Investments	-	2,291,907	-	2,291,907
<u>Total Current Assets</u>	<u>21,351</u>	<u>2,811,181</u>	<u>729,671</u>	<u>3,562,203</u>
<u>Other Assets</u>				
<u>Capital Assets</u>				
Land and improvements	-	100,001	40,000	140,001
Other Capital assets, net of depreciation	-	1,365,052	2,278,460	3,643,512
<u>Total capital assets</u>	<u>-</u>	<u>1,465,053</u>	<u>2,318,460</u>	<u>3,783,513</u>
<u>Total Assets</u>	<u><u>\$ 21,351</u></u>	<u><u>\$ 4,276,234</u></u>	<u><u>\$ 3,048,131</u></u>	<u><u>\$ 7,345,716</u></u>
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Payroll taxes payable	\$ -	\$ 11,351	\$ 8,352	\$ 19,703
Notes payable	-	16,495	-	16,495
	<u>-</u>	<u>27,846</u>	<u>8,352</u>	<u>36,198</u>
<u>Noncurrent Liabilities</u>				
Notes payable		238,136	-	238,136
<u>Total Liabilities</u>	<u>-</u>	<u>265,982</u>	<u>8,352</u>	<u>274,334</u>
<u>Net Position</u>				
Invested in capital assets, net of related debt	-	1,210,422	2,318,460	3,528,882
Unrestricted	21,351	2,799,830	721,319	3,542,500
<u>Total Net Position</u>	<u>21,351</u>	<u>4,010,252</u>	<u>3,039,779</u>	<u>7,071,382</u>
<u>Total Liabilities and Net Position</u>	<u><u>\$ 21,351</u></u>	<u><u>\$ 4,276,234</u></u>	<u><u>\$ 3,048,131</u></u>	<u><u>\$ 7,345,716</u></u>

Plymouth Township
Combining Statement of Revenues, Expenses, and Changes in Net Position
Component Units
For the Year Ended December 31, 2021

	Plymouth Township Parks Recreation and Facilities Fund	Harmonville Fire Company	Plymouth Fire Company	Total
<u>Operating Revenues</u>				
Charges for services	\$ -	\$ 65,200	\$ 29,230	\$ 94,430
Rental income	-	-	850	850
Grants and contributions				
Primary government	-	452,000	359,700	811,700
Other	455	133,670	52,338	186,463
<u> Total Operating Revenues</u>	<u>455</u>	<u>650,870</u>	<u>442,118</u>	<u>1,093,443</u>
<u>Operating Expenses</u>	<u>593</u>	<u>918,568</u>	<u>609,930</u>	<u>1,529,091</u>
<u>Operating (Loss)</u>	<u>(138)</u>	<u>(267,698)</u>	<u>(167,812)</u>	<u>(435,648)</u>
<u>Non-Operating Revenues</u>				
Investment earnings	71	151,226	1,189	152,486
Miscellaneous income	-	42,677	4,722	47,399
<u> Total Non-operating Revenue</u>	<u>71</u>	<u>193,903</u>	<u>5,911</u>	<u>199,885</u>
<u>Change in Net Position</u>	<u>(67)</u>	<u>(73,795)</u>	<u>(161,901)</u>	<u>(235,763)</u>
<u>Total Net Position - Beginning of Year</u>	<u>21,418</u>	<u>4,084,047</u>	<u>3,201,680</u>	<u>7,307,145</u>
<u>Total Net Position - End of Year</u>	<u>\$ 21,351</u>	<u>\$ 4,010,252</u>	<u>\$3,039,779</u>	<u>\$ 7,071,382</u>



Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards*

Council Members
Plymouth Township
Plymouth Meeting, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Plymouth Township as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Plymouth Township's basic financial statements, and have issued our report thereon dated June 30, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Plymouth Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Plymouth Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Plymouth Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plymouth Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barsz Gowie Amon & Fultz, LLC

Media, Pennsylvania
June 30, 2021



Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance

Council Members
Plymouth Township
Plymouth Meeting, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Plymouth Township's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Plymouth Township's major federal program for the year ended December 31, 2021. Plymouth Township's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Plymouth Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Plymouth Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Plymouth Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Plymouth Township's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Plymouth Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Plymouth Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Plymouth Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Plymouth Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Plymouth Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Barsz Gowie Amon & Fultz, LLC

Media, Pennsylvania
June 30, 2022

Plymouth Township
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor / Pass-Through Grantor / Program Title	Federal AL Number	Pass-Through Grantor's Number	Expenditures of Federal Awards <u>Total</u>	Paid to Sub- Recipients
<u>U.S. Department of the Treasury</u>				
<u>Passed Through Commonwealth of PA</u>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	PA8554	\$ 917,478	\$ -
<u>Total - AL # 21.027</u>			<u>917,478</u>	<u>-</u>
<u>Total Expenditure of Federal Awards</u>			<u>\$ 917,478</u>	<u>\$ -</u>

Plymouth Township
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Note 1 **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Plymouth Township under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Plymouth Township, it is not intended to and does not present the financial position, changes in net position, or cash flows of Plymouth Township.

Note 2 **Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

Plymouth Township did not elect to use the 10% *de minimis* indirect cost rate.

Plymouth Township
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? No

Federal Awards:

Type of auditor’s report issued on compliance for major programs: Unmodified

Internal control over major program:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? No

Identification of Major Programs:

<u>Program Title</u>	<u>Federal AL Number</u>	<u>Expenditures of Federal Awards</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ 917,478
Dollar threshold used to distinguish between Type A and Type B programs:		\$750,000
Auditee qualified as low risk auditee?		No

Plymouth Township
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Section II – Financial Statement Findings

Status of Prior-Year Findings:

None

Current-Year Findings and Questioned Costs:

None

Section III – Federal Award Findings and Questioned Costs

Status of Prior-Year Findings:

None

Current-Year Findings and Questioned Costs:

None